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Setting sail after 2,000 years
Page Two

Moda'i interview with 'Post'

Bonn thinks dollar will fall to DM2

Post Economic Staff

The head of the Federal Republic of Germany's central bank expects the dollar to continue to fall sharply against the Deutschmark. The president of the Deutsche Bundesbank, Otto Pöhl, told Finance Minister Yitzhak Moda'i the dollar will fall as low as DM2, the minister said yesterday in an interview with *The Jerusalem Post*.

In February 1985, the dollar was quoted at DM3.47. It was traded yesterday in European markets at DM2.25. Within the last 12 months, the dollar lost nearly 30 per cent of its value against the DM.

In a lecture yesterday at Tel Aviv University, Pöhl said the U.S. has ended its policy of non-intervention in exchange-rate markets and is willing to agree that less volatile exchange rates are desirable. Pöhl said exchange rates should be more consistent with economic fundamentals.

Pöhl came out against establishing an international monetary system based on "target zones" for the exchange rates of the major currencies. "Given the huge potential for capital movements, central banks would have a hard time defending them," he said.

He compared exchange rates to interest rates. "It has always been tempting for the authorities to try to predetermine the cost of money and capital and to establish priorities for their use. This has all too regularly led to gross misallocation of scarce resources and often to a decline in savings," he said.

Who will be the next Governor of the Bank of Israel?
—Page 7

Pöhl said that the huge U.S. deficit on current accounts and the corresponding claim on other countries' savings is today the main threat to the stability of the international monetary system. "The question remains how long foreign investors will continue to accumulate dollar claims, and at what interest rates and exchange rates, as deficits accumulate," he said.

'Cut interest rates'

By SHLOMO MAOZ and AVI TEMKIN

Finance Minister Yitzhak Moda'i expects the prices of government-linked debentures to rise and their yields to drop. The minister told *The Jerusalem Post* in an exclusive interview that this was necessary to enable private firms to raise loans in the capital market and to issue bonds.

Moda'i said he had instructed the Bank of Israel to start reducing interest rates immediately, in accordance with the decision taken by the Ministerial Economic Committee on Tuesday. The committee decided to enable private firms to issue bonds up to a total of $450 million during fiscal 1986/87, at the expense of government bonds.

Moda'i said he expected the drop in yields to be large in short-term bonds and shekel deposits and less on long-term bonds. He added that the government will underwrite the bonds of private firms only in the case of individual firms in financial trouble. But in most cases, no such underwriting will be given. "If there will be prosperity and confidence, the public's willingness to hold the private firms' bonds will be enhanced," he said.

Moda'i harshly criticized the Bank of Israel for not cutting interest rates in recent months. "The bank should have cut the rates by larger amounts," he said.

Moda'i said he hoped the public would increase its savings from disposable income in the coming months.

Moda'i said the decision to release $450 million had been on the agenda of the Ministerial Economic Committee for more than a month, and the intention to make such move had been made public in the budget's explanatory notes.

Labour Party ministers and the Prime Minister's office said on Tuesday that Moda'i had been forced to change his mind over the sums of money as a result of the premier's demands last week.

Cairo death toll over 25; troops move to quash mutiny of security guards

Egypt says riots under control

Post Middle East Staff and Agencies

Egyptian authorities have re-established control in Cairo following the imposition of an indefinite curfew in the city and its suburbs at 4 p.m. yesterday, Monte Carlo radio reported. Late last night over 25 persons were reported dead and 300 wounded in the rioting.

Numerous persons suspected of involvement in the disturbances were still being detained last night. Army troops, backed by tanks and armoured personnel carriers, were reported patrolling the streets of the capital and guarding public buildings.

The mutiny by members of Egypt's Central Security Force which exploded yesterday into widespread rioting in Cairo and three other Egyptian cities, led President Hosni Mubarak's government to order the Army to quell the disturbances.

The violence was the worst Cairo has seen since Black Saturday (January 26, 1952), when opponents of then King Farouk razed buildings throughout the city.

Egyptian television cancelled its regular programmes and broadcast continuous coverage of the disturbances.

The curfew will be lifted for four hours today, between 10 a.m. and 2 p.m. to permit residents to restock their food supplies, according to the Egyptian News Agency.

Special permits to move out of doors will also be issued to people whose work is essential during curfew hours. Observers said that this seemed to indicate that the curfew will not be abolished for quite some time.

Israel Radio reported last night that the Egyptian opposition parties had announced their support of President Mubarak.

Cairo International Airport was closed for four hours in what area control officials called "a military exercise."

Maj. Gen. Bahaeddin Ibrahim, an Interior Ministry Spokesman, said casualty figures had not been compiled. But unofficial sources said incomplete reports indicated there were "scores of deaths" and hundreds of injured. The sources, who insisted on anonymity, are close to the government.



Egyptians scramble atop buses in Cairo in a frantic rush to get home before the curfew. (Reuter)



The Sphinx Hotel in the Cairo suburb of Giza set ablaze in the rioting. (AFP)

Authorities imposed a curfew on greater Cairo, and the capital was reported quiet last night. The government deployed tanks, armoured personnel carriers and armoured cars in the streets after rioters set fire to three luxury hotels, several night-clubs, and a police station, and stormed a prison to free Moslem fundamentalist prisoners.

Terrified hotel guests, including hundreds of foreign tourists, took refuge in other hotels or hid in private homes near the Great Pyramids.

Mubarak blamed the trouble on "deviationist elements" in the 120,000-member Central Security Force, a nation-wide, largely conscript, paramilitary unit that guards embassies and key military and civilian installations, and curbs unauthorized street demonstrations.

The government said the violence began as a protest over a false rumour that a unit of 8,000 security force members, mostly conscripts, would be kept in uniform for a year after their normal release time.

Witnesses said civilians quickly joined the security forces, shouting Islamic slogans and screaming about the country's debt-ridden economy that has led to high prices and a low standard of living.

Oil-export prices are plummeting, tourism is declining sharply, Egyptian workers in the Gulf oil states are losing their jobs because of the worldwide oil slump, and the reduced number of tankers transiting the Suez Canal has caused serious shortfalls in tolls.

Automatic weapons fire rattled in the city throughout the day. Witnesses saw helicopters drop tear gas on rioters rampaging through the southern suburb of Maadi, where many foreign diplomats live.

Mubarak said some guards were killed when mutineers attacked during a night of looting and arson near the Great Pyramids of Giza. Fires still burned yesterday, and other buildings were set on fire in new riots and firefights between troops and police mutineers. Shops were shuttered in much of the city.

Three of the fires were in luxury hotels: two Holiday Inns and the Swiss-managed Jolie Ville. Reports from the sealed-off area said rioters ransacked the reception area of the nearby Mena House Oberoi Hotel, the lodging place of monarchs and heads of government, and the venue of Israel-Egyptian peace talks.

Mubarak said there was similar trouble at Ismailiya on the Suez Canal, Assyut in central Egypt and Sohag, south of Assyut.

Army troops removed non-rioting members of the Central Security Force from their posts outside the radio and television building, state-owned newspapers and other key installations such as embassies, sometimes by force.

Thirty to 40 soldiers with jeep-mounted machine-guns patrolled at the U.S. embassy, which was surrounded by a new five-metre high upward extension of its compound fence.

Mobs stormed Tourah prison south of Cairo and freed a large number of prisoners, including Mos-

(Continued on Page 2, Col. 2)

Related stories
—Pages 2 and 3



The deposed Philippines president, Ferdinand Marcos, arrives at Guam on his way to Hawaii, and is greeted by the Commander of the U.S. Third Air Division, Maj.-Gen. E.G. Shuler.

Aquino takes reins as Marcos flies to Hawaii

MANILA (Reuter). – As the disgraced Ferdinand Marcos, looking "sickly, old and dog tired," fled into exile yesterday, his successor as president of the Philippines, Corazon Aquino, promised a compassionate administration that would heal the wounds of 20 years of misrule.

At a news conference she extended mercy even to the man she blames for the murder in 1983 of her husband Benigno, saying she would not seek to extradite Marcos from the U.S. which has offered him asylum.

Marcos arrived early yesterday on a U.S. military transport at the Pacific island base of Guam, looking sick, old and tired, acting Governor Edward Reyes told Reuters. Marcos arrived with an entourage of 89, including his wife Imelda and former armed forces chief Fabian Ver. He flew on last night to Hawaii where Governor George Ariyoshi said he would welcome his old friend Marcos and his family. Marcos owns several palatial homes there.

Aquino, who has renounced use of the palace as a symbol of her rejection of the extravagance of the Marcos years, struck a political balance in her first acts in office. She retained Marcos's Central Bank governor and his defence minister, and promised to respect the U.S. military bases agreement. Her vice-president offered amnesty to Communist guerrillas.

General Fidel Ramos, Aquino's new armed forces chief, said on television that the government's top priority would be to end the Communist insurgency and lawlessness affecting many parts of the Philippines.

The economic front remains clouded by a $25 billion foreign debt, but the mood in the financial community is upbeat. Business leaders told reporters that Aquino's victory had instilled a new confidence and a belief that foreign investors would again pour money into the country. (Reuter, AP)

(Related stories, page 4)

West Bank PLO can join talks, Rabin implies

Jerusalem Post Middle East Staff

Israel is willing to hold peace talks with a joint Palestinian-Jordanian delegation even if it includes West Bank representatives identified with the PLO, Defence Minister Yitzhak Rabin hinted at a meeting with 30 prominent West Bankers held on Tuesday at the Civil Administration headquarters in Bet-El.

A report of the meeting appeared in the East Jerusalem Arabic daily *al-Kuds* yesterday.

A participant, contacted by *The Jerusalem Post*, confirmed the paper's version of Rabin's remarks.

Rabin reportedly told the meeting that a Palestinian-Jordanian delegation to peace talks could include "anyone" from the West Bank or Gaza Strip "without qualification." But representatives from the Palestinian diaspora could only participate if they did not belong to the PLO, Rabin was reported as saying.

Israel, Rabin said, wanted to negotiate directly with the delegation. It also insisted that the U.S. play a "special role" in the talks, and that U.S. participation would be conditional on the involvement of the USSR or an "international organization."

Official Israeli sources declined to comment on the *al-Kuds* report.

The meeting was also significant as being the first Rabin had held with West Bankers identified with the PLO since becoming defence minister in 1984.

U.S. has full confidence in Mubarak

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. – The U.S. yesterday expressed confidence in Egyptian President Hosni Mubarak's government and insisted in the face of yesterday's riots that the situation appeared to be quietening down.

"We have full confidence in President Mubarak's government and in its ability to handle the situation," State Department spokesman Bernard Kalb said.

But he acknowledged that the administration was concerned.

Kalb said there was no indication that the rioting was aimed at the U.S. or the West. He said they might have been linked to "rumours about an extension in required length of service" in the military.

The presidents of Iraq and Sudan, Jordanian King Hussein and PLO chairman Yasser Arafat telephoned Mubarak last night to enquire about the disturbances.

Syria and its Palestinian allies yesterday lauded the anti-government riots in Cairo as an uprising against the U.S.-sponsored Camp David accords that produced Egypt's peace treaty with Israel.

"The U.S. and Israel will never succeed in imposing the Camp David bonds upon the Arab people of Egypt," said a commentary broadcast by Syria's state radio.

The radio said that no matter what Egyptian President Mubarak's administration does to put down the rebellion, "it will never be able to isolate Egypt from its Arab links."

The president's choice

By YEHUDA LITANI and JOSHUA BRILLIANT

Israeli observers noted last night that though now it seems that President Hosni Mubarak is in control of the situation, his ability to remain in power is uncertain. The riots that erupted inside the military establishment show a serious lack of support for his leadership.

According to these observers, Mubarak now has to choose between two alernatives: maintaining Egypt's partial democracy or imposing full dictatorship. The first alternative entails the risk of future disorders and perhaps even a popular uprising by the left-wing opposition and Moslem fanatics. Imposing full dictatorship means much more oppressive rule for his nation of 49 million people. This would also put to rest the liberalization policy begun under his predecessor Anwar Sadat.

Ehud Toledano, a senior lecturer at Tel Aviv University's Department of Middle Eastern History, said the Egyptian public has a lot to be unhappy about, but the regime's ability to weather the present crisis depends on the support of the army. So far, he says, the army shows no sign of turning against the president, but the situation is far from settled and the regime's future conduct will determine its fate.

"So far the army has been loyal and I believe it will be," Toledano predicts, "unless there is a chain of mistakes, and the steps taken fail to restore confidence in the government's ability to lead," he said.

A variety of economic and social causes lie behind the discontent, Toledano says.

The rising price of consumer goods over the past two years, has hurt the middle classes, although the poor have been sheltered from inflation because the items they need are subsidized or covered by food stamps.

The falling price of oil has proved to be a multifaceted plague on the Egyptian economy. Lower petroleum prices have forced the Persian Gulf states to send huge num-

(Continued on Page 8)

Rabin to Europe

Jerusalem Post Reporter

TEL AVIV. – Defence Minister Yitzhak Rabin yesterday left for a visit to Switzerland and Belgium. His itinerary includes meetings with officials there, visits to Nato bases in Belgium, and lectures on behalf of the United Jewish Appeal.

Likud ministers stand firm on 'No' to economic overseers

By SARAH HONIG
Post Political Correspondent

TEL AVIV. – The Likud ministers yesterday repeated their rejection of Labour's demand for a ministerial committee to oversee economic growth. Thus the coalition crisis is unresolved, with the ball back in Labour's court.

There were no dissenting voices among the Likud ministers at their weekly meeting in Vice-Premier Shamir's office. Sources from all Likud factions denied Labour assertions that the Likud ministers, with the exception of David Levy and Ariel Sharon, are amenable to a compromise, but that the two are foiling it.

"We were never so united on anything," a senior Herut minister told the *The Jerusalem Post*.

The Likud ministers maintained that the committee, as envisioned by Labour and with a built-in majority for Labour, would usurp the authority of the finance minister.

After their meeting yesterday, they published a resolution that "no changes ought to be made in the national unity government's structure or in the authority of its member ministers." This is taken to mean that, despite Labour claims to the contrary, the Likud continues unanimously to oppose the committee.

The Likud ministers said in their statement that they support the battle "against unemployment and for industry, especially export industries and those in development areas. Yet this must be achieved within the budgetary framework and without a spending spree or a tax hike."

To achieve these aims, the Likud ministers said, the "partnership of the large parties in the national unity government must be strengthened. We have a common goal and must not be divided over the means to achieve it."

The committee that Labour wants is not in keeping with the coalition agreement, it was argued at the meeting, and cooperation between the parties must be based on the way the partnership was mapped out when the government established.

Hussein said seeking Soviet planes and missiles

WASHINGTON. – King Hussein was yesterday reported to be ready to seek a new generation of fighter aircraft and surface-to-air missiles from the Soviet Union.

Syndicated columnists Rowland Evans and Robert Novak, writing from Amman in *The Washington Post*, said Hussein had invited a high-level Soviet military delegation to Jordan in the aftermath of President Reagan's decision to further delay a $1.9 billion arms sale to Jordan.

According to Evans and Novak, Hussein "says privately that only the two superpowers have the resources and can offer the financial terms – long-term loans at discretionary interest rates – to handle small-state or Third World needs." Thus, U.S. "termination" of the sale has left Moscow as the sole source.

Saudi Arabia, Evans and Novak added, had not shown any inclination to finance a new sale of planes and missiles for Jordan from Britain or France.

Squabble over agorot delays alimony payments two months

By TSIPI KUPER

A number of divorcees have not received their alimony for two months because of an inter-ministerial dispute over a sum of less than one new shekel.

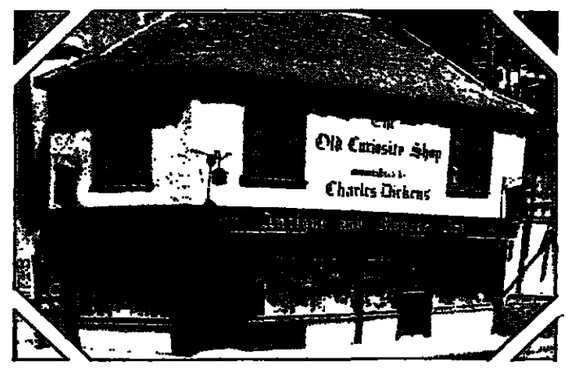
"The Defence Ministry's accountant insists on including the agorot in the cheque it issues the Courts Administration's execution office. But our computer is programmed to accept only round shekel figures," said a source in the execution office.

"A cheque issued by the Defence Ministry at the beginning of January to cover the women's December alimony has been shunted back and forth. We asked them to round the figure to the nearest shekel, but they refused," said the source.

The money – some tens of thousand NIS – is intended for some 30-40 divorcees and separated women, whose ex-husbands get a Defence Ministry allowance as IDF disabled, said another execution office official. Most of the women receive their alimony through the National Insurance Institute, but four or five collect it directly from the execution office – and they have not yet received their payments for December or January, she said.

Defence Ministry spokesman Dan Weinreich confirmed that "there was a technical problem." It would soon be rectified, he said.

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The weather at major Swissair destinations

26.2.86

	MIN. C	MIN. F	MAX. C	MAX. F	
AMSTERDAM	-12	10	-2	28	Clear
BRUSSELS	-8	18	-2	28	Clear
BUENOS AIRES	24	75	30	86	Clear
CHICAGO	-8	18	3	37	Snow
COPENHAGEN	-13	9	-4	25	Clear
FRANKFURT	-10	14	-2	28	Clear
GENEVA	-4	25	-2	28	Cloudy
HELSINKI	-15	5	-11	12	Clear
HONG KONG	14	57	18	64	Cloudy
JOHANNESBURG	12	54	26	79	Cloudy
LISBON	9	48	16	61	Clear
LONDON	-3	27	1	34	Clear
MADRID	5	41	13	55	Cloudy
MONTREAL	-9	16	-6	21	Snow
NEW YORK	-2	28	4	39	Snow
OSLO	-12	10	0	32	Cloudy
PARIS	-6	21	3	37	Clear
RIO DE JANEIRO	23	72	38	100	Cloudy
SAO PAULO	21	70	30	86	Cloudy
STOCKHOLM	-15	5	-9	16	Clear
TOKYO	1	34	9	48	Clear
TORONTO	-13	9	0	32	Cloudy
VIENNA	-11	12	-3	27	Clear
ZURICH	-4	25	-2	28	Cloudy

*For the latest weather conditions contact Swissair.

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THE WEATHER

Forecast: Partly cloudy, with temperatures rising.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	42	4-18	19
Golan	31	—18	19
Nahariya	58	8-20	21
Safad	29	6-15	16
Haifa Port	65	13-19	20
Tiberias	47	8-21	24
Nazareth	–	9-22	23
Afula	46	5-22	23
Shomron	46	6-19	20
Tel Aviv	53	10-19	21
B-G Airport	46	7-20	22
Jericho	36	9-26	27
Gaza	63	12-18	20
Beersheba	36	7-22	23
Eilat	23	13-27	28

SOCIAL & PERSONAL

Tel Aviv and Nazareth Rotary will hold a joint meeting at the Tel Aviv Hilton at 1.15 p.m. today, to be addressed by Beersheba Mayor Eliahu Nawi. Members' wives are invited.

ARRIVALS

David Harmelin, head of the distribution network of the Israel Bonds organization, to participate in a conference of rabbis discussing the promotion of tourism in Israel.

Israel's authorities don't respect the law – Lahat

By MICHAL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. – Israel is a funland for criminals, whose chances of getting caught by the police are minimal, Tel Aviv mayor Shlomo Lahat, head of the new Liberal Centre Party, told reporters yesterday.

Lahat said Israel is a state which does not want to enforce the law: its governing authorities do not respect laws or abide by them, thus encouraging lower echelons to break the law. A state in which parking and air pollution laws are flouted can expect more serious crimes, such as robbery and murder, Lahat said.

He denounced the state for depriving the police of the necessary resources to fight crime effectively. "The life of the Israeli citizen is not safe – neither at home, nor on the street, nor in the car; the only safe people are the criminals," he said.

He presented data indicating that only 13 per cent of property offenders are caught, 8 per cent of the burglars and 4 per cent of the car thieves.

Lahat suggested the establishment of a municipal police, consisting of a police department at the disposal of the municipality, which would receive its orders from the mayor.

He also said he objected to the employment of Arabs from the West Bank in Israel, saying this practice has "ruined the state. Wherever there's a problem in the West Bank, all the plants in Israel are paralysed, no gardening work is done, no construction work..."

Lahat added that he objected to letting Arabs rent apartments to spend the night in Tel Aviv, because they should not be there at all. Asked why the city itself employs so many Arabs in construction, garbage collection and gardening work, the mayor replied that "one cannot find Jews to do the work."

Golan Druse arrested for rioting

By MENAHEM HOROWITZ
Jerusalem Post Reporter

MAJDAL SHAMS. – Police arrested 18 Golan Heights Druse late Tuesday night on suspicion of rioting and of injuring policemen during Prime Minister Peres's visit to this Druse town Tuesday.

The 18 were rounded up on the basis of police photographs taken during Tuesday's riot in Majdal Shams, which declared opposition to Israel and determination to return to Syrian sovereignty.

Several of the detainees are minors. They are all being detained in Acre.

Israeli Druse notables who met at the home of the community's leader, Sheikh Amin Tarif, castigated the rioters and expressed concern that their behaviour would affect the status of the Druse community in Israel.

Residents of three other Druse villages in the Golan sent a statement to Prime Minister Peres expressing regret that his visit had been to Majdal Shams, "which is known for its hostility to Israel," rather than to any of the other Druse centres which are considered more moderate.

Leaders of the Israeli settlements in the Golan met and expressed concern over the growing extremism in the Druse villages there.



Right-wing students try to raise the Israeli flag at the entrance to the Hebrew University's Mount Scopus campus yesterday. The students, numbering a few hundred, clashed with campus guards, who were enforcing the university's policy of displaying the flag only on special occasions. Demonstrators said it was important to show the flag as a sign to the PLO, but other students attributed the action to pre-election maneuvering by campus politicians. Likud MKs Dov Shilansky, Ronnie Milo and Meir Cohen-Avidov were in attendance.

Israel holds its breath for Mubarak

By BENNY MORRIS
Post Diplomatic Correspondent

Official Israel held its breath yesterday as Egyptian President Hosni Mubarak struggled to overcome Egypt's worst crisis since he assumed power four-and-a-half years ago.

Highly placed sources in Jerusalem were united last night in wishing Mubarak the swift return of normalcy to Egypt. But there was general, if barely articulated, apprehension that the crisis, even if swiftly overcome, would have a negative effect on Israeli-Egyptian relations.

"We sincerely hope that Mubarak will overcome the crisis," the sources said last night, adding that Prime Minister Peres was keeping close tabs on events. They could not say whether a meeting of the inner cabinet had been called to discuss the crisis.

The general attitude seemed to be that, the less Israel says about this "internal Egyptian problem," the better for Egypt – and for Israeli interests.

In immediate terms, there was doubt that Israel's delegation would fly to Cairo early next week, as scheduled, for the resumption on Monday of the bilateral talks on Taba and normalization.

Benny Begin takes a step

By SARAH HONIG
Post Political Correspondent

TEL AVIV. – Expectations that Binyamin Begin, the former prime minister's son, is about to enter politics have greatly heightened in Herut following disclosures that the younger Begin has joined an effort to make sure that the March 9 party convention is peaceful.

This is seen as one more indication that Begin is preparing to follow in his father's footsteps. The strongest signal in this direction came last month when Begin appeared on the *Moked* TV interview programme.

Coalition Executive chairman Haim Kaufman, who initiated the Herut peacemaking campaign which Begin joined, told *The Jerusalem Post* last night that he "has reason to believe that Begin plans to be a very active delegate in the upcoming convention. The feeling is that he is rolling up his sleeves to enter politics. He cares a great deal about what is happening and is keenly interested in the current processes in the party."

Begin was brought into the peacemaking effort by his best friend, MK Dan Meridor, who in the recent Herut elections for convention delegates received more votes than Binyamin Begin, who came in second, and Menachem Begin, who was third.

Kaufman and MK Ovadia Eli, both of the David Levy faction in Herut, set out recently to reduce the tensions among the factions to ensure a quiet convention.



The Roman boat found recently off the shore of Lake Kinneret sets sail for the first time in 2,000 years, encased in sheets of plastic to prevent it from being destroyed. (Yossi Elmakayess, Yedioth Aharonoth)

Kinneret's Roman boat sets sail after 2,000 years

By DAVID RUDGE

KIBBUTZ GINNOSAR. – The Roman boat found off the shore of Lake Kinneret put to sea yesterday for the first time in 2,000 years. The vessel, encased in a protective cocoon of plastic sheeting, set sail with a helping hand from the team of experts and volunteers who excavated it.

A crowd of well-wishers clapped and cheered as the boat cleared a mud bank. From there, the vessel was gently pushed and pulled 250 metres through the water to the shore of Kibbutz Ginnosar.

Today it will be raised onto the kibbutz beach, where it will remain for two weeks until a special pool next to Ginnosar's auditorium and museum has been prepared.

Orna Cohen, of the Hebrew University's Institute of Archeology was perched on top of the boat as it was towed through the water. Her next task will be somewhat more complicated – to keep the boat intact by preserving the ancient wood.

Cohen told *The Jerusalem Post* that the vessel will have to remain in the pool for between five and seven years, during which synthetic wax will be added to the water to penetrate the porous wood and strengthen it. Only after this process is completed will it be possible to remove the boat from its bath and place it in a museum.

Prior to yesterday's refloating, archeologists and volunteers removed all the clay that had gathered over the centuries inside the boat. The work was carried out under an awning to protect the fragile wood from drying up under the sun's rays and turning to dust.

Meanwhile members of the kibbutz constructed a fibreglass frame prior to encasing the vessel in polyurethene.

With the protective cocoon in place, a dredger removed a wall surrounding the boat to allow the waters of the Kinneret to flood the temporary harbour.

Archeologists now believe that the ancient vessel was used as a fishing craft and possibly for transporting people and goods across the lake.

MK Artzi seeks to bring 'butcher' Trifa to justice

The butcher of Romanian Jewry, Archbishop Valerian Trifa, may yet be brought to justice, if the parliamentary initiative of Knesset Member Yitzhak Artzi (Alignment-ILP) comes to fruition.

Romanian-born Artzi this week persuaded the Knesset Law Committee to recommend drafting of an amendment to the law which would make it possible to punish Trifa for the atrocities he instigated and carried out in Bucharest in 1941.

Trifa, a theology student and leader in the student corps attached to the fascist Iron Guard, led a pogrom in which 121 Jews were brutally slaughtered in Bucharest.

Artzi himself escaped because the lorry taking him to the abattoir – where Jewish corpses were hung among slabs of meat – broke down.

The law providing for the prosecution of Nazi criminals and their associates applies to atrocities committed in "enemy countries."

Romania declared war against the Allies, thus becoming an "enemy country," in February 1941, one week after the Trifa pogrom, which took place on January 21, 1941. Thus Trifa cannot be prosecuted here, unless the law is amended.

Trifa settled in the U.S. after World War II as a prelate of the Romanian Orthodox Church, and became an Archbishop in Detroit. Last year he retired and settled in Portugal, which, unlike the U.S., has no extradition agreement with Israel.

KNESSET NEWS
Post Knesset Staff

Postponement for Cohen's territories bill

Tehiya MK Geula Cohen agreed to postpone to next week a private members' bill calling for the imposition of Israeli law in Judea and Samaria. Citizens' Rights Movement MK Yossi Sarid also agreed to a week's postponement of a motion calling for compromise and territorial partition in the Middle East peace process.

Cohen bowed after much hesitation to pressure from the Likud; Sarid let the Alignment twist his arm.

Tax bracket split

The coalition split yesterday on a motion for the agenda by Yisrael Kessar (Alignment) calling for the updating of the tax brackets, tax credit points, and children's allowances.

Deputy Finance Minister Adiel Amorai (Alignment) moved that the motion be struck from the agenda, but he was supported only by the Likud.

Most Alignment members present abstained, but enough of them voted with the opposition to enable the bill to be referred to the Finance Committee.

Timers for calls

Bezek is almost ready to introduce timers for local telephone calls, with electronic exchanges being the first to receive them. Communications Minister Amnon Rubinstein said yesterday, reporting on his ministry's activities.

The quarter of a million subscribers linked to electronic (digital) exchanges will also have their fixed maintenance fee reduced.

Shapira to Herzog: Save the government

Morasha Minister Yosef Shapira yesterday sent a telegram to President Herzog, appealing to him to save the national unity government.

Shapira wrote: "You did so much to see that the coalition was set up. Now I appeal to you to step into the breach and see that the coalition survives."

He wrote that Herzog expressed "the national will, and the national will is indubitably for the survival of the national unity government. For its security, its economic well-being, and its social stability, this country requires the continuation of the national unity coalition."

Peres: Hussein speech leaves door open to negotiations

Post Knesset Reporter

Prime Minister Peres said yesterday that King Hussein's speech last week was important for two reasons: he named the PLO as the party responsible for the failure of peace talks, and he said in effect that the door to negotiations is still open (see text of speech, page 6).

Replying to five urgent motions for the agenda on Hussein's speech, Peres addressed the following message to the Arabs in the terrorities:

"We shall impose nothing on you. If you want an open door, it will remain open. If you want to administer your civic affairs, you may do so.

"Remember: when it comes to violence, you will find Israel firm and unitied, and no shooting will change our desire for peace or our stand on our security interests without which we would be endangered."

Peres and Herzog congratulate Aquino

Jerusalem Post Reporter

Corazon Aquino's accession to power as president of the Phillippines was a victory for democracy, *Premier Peres said in a congratulatory* cable he sent her yesterday.

President Herzog also yesterday sent a congratulatory message to Aquino, saying that he hoped cooperation between Israel and her country would contribute to a thriving Filipino people.

Solel Boneh would trim its workforce by 2,500

Jerusalem Post Reporter

The management of Solel Boneh last night presented its 13,000 workers with a rehabilitation plan for the giant Histadrut-owned construction company.

The plan entails reducing the work force through early retirement, if possible, by some 2,500 permanent workers.

The plan was drawn up by Ehud Shilo, the company's recently appointed director-general. It has also been submitted to the special committee appointed by the government which is drawing up its own plan for the company.

A Solel Boneh spokesman said he thought the plan would be carefully considered and probably adopted by the chairman of the government committee, Aharon Fogel. The plan, the spokesman said, would put Solel Boneh on the road to becoming a profit-making company within a short time and without any great expense to the government.

Demjanjuk due here tomorrow

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. – Nazi war criminal John Demjanjuk is expected to arrive in Israel tomorrow on a non-stop El Al flight from New York.

His departure from the U.S. has been delayed because the first non-stop flight only leaves New York tonight, U.S. and Israeli sources said. That plane lands in Israel tomorrow afternoon.

CAIRO RIOTS

(Continued from Page One)

lem fundamentalists and other political prisoners. Unofficial sources said army helicopters sprayed machine-gun fire into the prison yard as the mutineers poured through the gates. The government said later some of the prisoners were recaptured.

Education Minister Mansour Hussein said all universities would be closed indefinitely starting today. Lower-level schools also were ordered closed today.

Reporters at various parts of the city said the capital was quiet after the curfew took effect, except for an occasional burst of automatic fire. As the curfew approached, packed buses trundled through the streets with young men lying flat on their roofs. Flatbed trucks were filled with citizens hurrying home.

By nightfall, the armed forces had "tightened up security at a number of embassies and public utilities of special importance," the government-run Middle East News Agency said.

With great sorrow and pain, we announce the passing of our beloved husband and father

JOE KRAUSKOPF

The funeral will leave today, Thursday, February 27, 1986, at 2 p.m., from the Municipal Funeral Parlour, 5 Dafna Street, Tel Aviv, for the Holon cemetery.

A bus will be at the disposal of those wishing to attend.

The Bereaved:
His wife — **Rachel**
His daughters — **Tami and Ariela**
His daughter and son-in-law — **Avigail and Iggy**
His close friends and his family in New York

In deep sorrow, we announce the death of our beloved brother, brother-in-law and uncle

KARL WEISBECKER

veteran settler of Moshava Yokne'am
at the age of 88

The funeral will leave today, Thursday 27, 1986, at 3 p.m. from Beit Ha'am in Moshava Yokne'am.

Shimon and Sofia Weisbecker
Naftali and Shoshana Kadmon
Gabi Kadmon

ad486-30-f24

The Alyn Orthopedic Hospital and Rehabilitation Centre
mourns the passing of

Rabbi S. MORRIS SUSMAN ז"ל

a dedicated and devoted volunteer.

ad466-02-f22

The Israel Office of the Federation Council of Greater Los Angeles
wishes to convey sincere condolences to families
SLOMIANSKY, DOLGIN, GLASSER and WEINSTOCK
on the passing of

MARCIA

We, his friends and colleagues at Reavis, McGrath,
mourn with deep sorrow the passing of
our dear friend and esteemed partner

RICHARD L. TEBERG

whose intelligence, dedication and creativity were an example and inspiration to us all.

He was a lawyer of the utmost skill, imagination and depth, and a man of true compassion, humour and integrity. We mourn the loss of a trusted advisor, a warm human being and a gentleman.

To his family we extend our profound condolences.

ad465-03-f22

In deep sorrow, we announce the death of our husband, father and grandfather

WALTER L. SCHOTT ז"ל

Beverly Hills — Herzliya Pituah

The Funeral will take place tomorrow, Friday, February 28, at 10.00 a.m., at Herzliya Cemetery, Pinsker St.

Emily Schott
Dan Schott, Judy Katz-Charny
Diane Glick, Jackie Fox
and all the family abroad

ad467-30-f24

The American-Israel Friendship League
announces with sorrow the passing of

SHIMON BEN ZVI

Executive Vice-President and Honorary Secretary of the League

Sincere condolences to the family

Arye L. Dulzin
President

Raya Jaglom
Chairman of the Executive

Remembrance of riots passed

By VICTOR NAHMIAS
Special to The Jerusalem Post

THE EVENTS of the last 24 hours in Cairo brought back to me the dramatic events I witnessed there 34 years ago: the riots and disturbances which began in the Egyptian capital on January 26, 1952 ended with the burning of banks, hotels, night clubs and other establishments, and paved the way for the revolution of the "Free Officers" six months later.

Then, too, the riots were sparked by agitation among the internal security forces which was exploited by irresponsible opposition elements. The pretext was the stiff fighting against the British Army that these forces had engaged in the day before in Ismailiya on the Suez Canal. The battle had been fought between unequal forces: a large British contingent had besieged the Ismailiya police station, demanding that those inside surrender and claiming that the Egyptians were not doing enough to prevent terrorist acts against British soldiers. The incident became a matter of prestige for the Cairo government, which ordered its internal security force – then called the *Buluk Nizam* – not to surrender, but to fight to the end.

This was an unfortunate, illogical order, pitting the lightly armed Egyptians against a heavily armed British force. But the order came personally from then interior minister Fuad Seraj al-Din.

The outcome was inevitable: the British destroyed the police post, inflicting heavy casualties on the policemen. The next day, hundreds of the Ismailiya policemen descended on Cairo to vent their fury at the government. On the way, they were joined by other policemen expressing solidarity with them.

Banner headlines in the Egyptian press proclaiming the policemen's heroism against the British occupiers did nothing to mollify them, though the papers stressed that the British had been in Egypt since 1882 and that their expulsion was the prime aspiration of Egypt's nationalist movement. The Ismailiya police and their colleagues demanded an accounting, first from their superior, the minister of the interior, and then from the entire cabinet.

On their way to the Prime Minister's Office, the outraged policemen were joined by many other embittered elements, by the merely curious, and, later, by provocateurs.

The demonstrators besieged the Prime Minister's Office for hours, bringing all business to a halt. At the same time, various opposition elements, ranging from the Moslem Brotherhood to the Socialists and the Communists, began inciting the masses throughout Cairo, later setting fire to foreign, mainly British, institutions.

Later, we learned that, even as Cairo burned, King Farouk was hosting the top military brass to lunch in Abdine Palace, in celebration of his eldest son Prince Fuad's birthday.

By evening, the king had to call the army into the streets of the capital to impose order; but not before he had dismissed the government of Nahas Pasha, who was the leader of the Wafd Party, which he so despised.

The dissolution of Egypt's legal government, which had enjoyed a decisive parliamentary majority, set the stage for political breakdown, with governments succeeding each other rapidly. The crisis pointed up just how little control the central government had and spurred the "Free Officers" into advancing the staging of their revolution and thus putting an end to the dynasty that Mohammed Ali had founded 150 years earlier.

Who burned Cairo in 1952 is still an open question. Researchers are divided as to whether it was the Moslem Brotherhood or a coalition of Socialists and Communists. In fact, only in the last few days, the memoirs of the last interior minister before the revolution have again sparked discussion of the issue in the Egyptian press.

Mass demonstrations have continued to be a factor in Egyptian politics. Demonstrations during the struggle between Nasser and Naguib, some of them organized by Nasser, continued until the signing of the agreement for the withdrawal of the British Army from Egypt in 1954. Two years later, following the nationalization of the Suez Canal and during the Anglo-French invasion of Port Said, there were huge demonstrations in the streets of Cairo, in support of Nasser.

In 1958, there were further mass demonstrations in support of the unification of Egypt and Syria. And nearly a decade later, in the weeks that preceded the Six Day War, Cairo saw day-long demonstrations in which the crowds whipped themselves up into a frenzy over imminent victory.

And while the defeat of June 5 first stunned the masses, they later took to the streets again to express their support for the leader who had failed. Then, a year later, when the Egyptian masses saw that those who had been responsible for the ignominious defeat were being let off with exceedingly light sentences, they went out to the streets, again, to demonstrate against Nasser, who was thus compelled to increase the sentences.

But it has to be said to Nasser's credit that he never minced his words. Despite occasional verbal genuflections to democracy, there was never any question that he was the absolute ruler of the Land of the Nile. With him, things were always clear.

Sadat, however, tried to be different. He loosened the reins and introduced some elements of democracy. But when he saw that his countrymen were taking him too literally, even he felt constrained to tighten up again. The reversal reached its height in September 1981 when he ordered a spate of arrests among his opponents on the right and the left. Less than a month later he was assassinated.

In January 1977, the Egyptian government decided to cut subsidies on basic foods. Shortly after the radio had announced the cuts, Cairo's streets were again swept by gigantic protest demonstrations. The "bread riots" as they became known, were remarkable for wholesale looting of night clubs, hotels and other hated symbols of the period of "*infitah*", Sadat's policy of economic liberalization which had enriched a few, but left unsolved Egypt's real problems.

The army was again called to restore order. Sadat accused the Communists of responsibility for the riots. But in the end, the government had to rescind the subsidy cuts.

One of Mubarak's first acts as president was to free hundreds of people imprisoned by Sadat. Mubarak wanted to signal the turning over of a new leaf; he wanted it understood that he was to be considered as different from Sadat; and even he promised to broaden the democratic base of his regime.

Political parties which had arisen under Sadat positively flourished under Mubarak. But, again, there was a misunderstanding: Mubarak insisted on reserving to himself the power to set basic policy: peace with Israel and the special relationship with the U.S., for example.

The opposition parties, however, wanted to influence policy and not be limited to mere criticism.

But their leaders went too far when they failed to confine themselves to criticizing Mubarak's policies, and proceeded to personal agitation against him.

Any pretext served their purpose: relations with Israel; the Ras Burka incident, in which they sought to turn Suleiman Khater into a national hero; Egypt's clumsy attempt to free the hostages on the hijacked Egyptian airliner in Malta, and others.

In a wide-ranging interview in the *Al-Mussawar* weekly in January, Mubarak sternly warned the opposition that it was walking a tightrope.

Whatever the immediate causes of the present riots, there can be no doubt that they have erupted against a background of profound internal tension, which the opposition parties have intensified by exploiting Egypt's real prolems.

By comparing the recent dramatic developments in Egypt with the events of 1952, I am not implying that the present events, too, will necessarily lead to a change in regime. What must, however, be clearly understood, is that the present disturbances are a serious blow to President Mubarak and to Egyptian stability.

And what should be equally clear is that, as long as there is no true democracy in Egypt, street demonstrations will continue as a pressure valve for the release of tensions that have no other outlet.



Residents stroll yesterday morning in Egypt's Giza district after a night of fighting between factions in the police and the military. (AFP telephoto)



Egyptian soldiers in Cairo's Abasiya cemetery remove the cement platform covering the steps leading to the underground room that contained Ya'acov Ruina's remains.

Remains found in Cairo cemetery

Clipping in files led IDF to soldier's body

By JOSHUA BRILLIANT

TEL AVIV. – The Israel Defence Forces team that returned from Cairo Sunday with the remains of a missing soldier found his grave after following up on a magazine article that had been lying in IDF files for more than six years. This emerged at an IDF briefing to defence reporters here yesterday.

The missing soldier, Rav Turai Ya'acov Ruina of Kibbutz Eilon, was abducted on August 26, 1968 while he was on patrol along the Suez Canal south of Ismaliya. Two soldiers who had been with him were found dead at the site of the ambush.

Ha'olam Hazeh editor Uri Avner stumbled onto a clue in the Ruina case when he visited the Abasiya military cemetery in Cairo in 1978 and the guard there led him to an area where enemy soldiers were buried.

The IDF filed the item away and it was forgotten. However, last June, before an IDF team went to Cairo to search for soldiers' remains, someone found the clipping. This was reported yesterday by Sgan-Aluf Shlomit Karmi, the head of the IDF's centre for locating missing soldiers.

Karmi said the Egyptians initially denied the IDF's request to visit the cemetery. Under pressure from Israel, however, the Egyptians finally allowed Israelis to visit last month.

Using information provided by Avnery before she left, Karmi said she had a pretty good idea where the underground room containing Ruina's remains was located inside the cemetery. Ten days ago, Egyptian soldiers removed a cement slab covering the room's entrance.

The Jerusalem Municipality's archeologist, Dan Bahat, inspected the grave and gave a report to the IDF's chief chaplain, Aluf Gad Navon. Navon was summoned to Egypt to identify the dog-tags on the remains; he conducted other checks to certify that the remains were indeed Ruina's.

Navon told reporters that, in order to skirt the complicated formalities of taking the remains out of Egypt, he asked the head of the Egyptian delegation to the Joint Military Committee, General Faruk Labib, to allow the Israeli Embassy in Cairo to transport the body as part of its diplomatic service.

The Egyptians complied; the remains were brought to the embassy; and the coffin was sealed and flown here last Sunday.

There are still scores of missing soldiers. They include tank corps men, pilots and naval commandos lost near Port Said, as well as sailors killed when the destroyer Eilat was sunk and the Dakar submarine was lost.

Karmi said Israel now has the "nearly complete cooperation" of Egypt in finding the remains of soldiers. Israeli officers have asked to visit burial sites, even in places not formally identified as military cemeteries.

Ruina's funeral will be held at Kibbutz Eilon tomorrow at 11 a.m.

'We needn't watch the gentiles' lips'

IN PERSON
BENNY MORRIS

"I was indifferent to Hussein's speech. I knew it was tactical. In fact, in general, we shouldn't jump for joy when a *goy* says something. When we were in the Diaspora, we used to watch the *goy*'s lips constantly to see if he'd say something good about the Jews. If he did, the Jew would be overcome with joy."

Thus, Dov Shilansky, the Likud MK who chairs the Knesset Interior Committee.

Shilansky quickly gets down to basics. "I am against giving up one millimetre – let me correct that, a single grain of sand – of any part of the homeland west of the Jordan River. Yes, the east bank is also part of the homeland, and it hurts that it is in Arab hands," he says. But he declines to go any further on that issue.

He believes that the Arabs "will only consider making peace with us when they realize that we are resolved never to give up any part of the homeland. They will never make peace with us so long as they believe we will withdraw from any part of the homeland."

Naturally, he opposes Prime Minister Peres's idea of giving the inhabitants of the territories some form of autonomy. In 1978 he abstained in the Knesset vote on the Camp David agreements. In any case, he points out, Begin's intention "was to give the Arabs cultural autonomy, no more." Autonomy, he fears, will lead to a Palestinian state – or to an Israeli campaign to nip it in the bud.



Dov Shilansky

Today, Shilansky is for annexing the territories. He is not over-worried by the demographic problem.

Last month he raised a storm by leading a highly publicized visit of MKs and extreme right-wingers to the Temple Mount. He believes that Jews should be allowed to pray on the mount and that supervision and control of the site should be shared between the Wakf (the Moslem Trust, the current supervisors) and a Jewish body. He skirts around the question of building a synagogue on the site and quips: "I do not intend to build the Third Temple. We must also leave something for the Messiah to do."

Shilansky says there is "a yawning gulf" between his views and those of Kach leader Meir Kahane, but he doggedly refuses to define what he sees as the differences. He says: "I refuse to join in all the brouhaha around Kahane to condemn or support him. But those who compare Kahane to the Nazis, don't know anything about the Nazis and still less about Nazi atrocities."

Shilansky deliberately stayed away from all the Knesset Law Committee's meetings on the racism bill. "We've become hysterical about it," he says, implying that there is no need for the proposed amendment making racist remarks criminal acts.

"It is shameful that we've reached a situation in which [the religious parties] are demanding that a clause be inserted into that legislation saying that 'Judaism is not racist.' Soon they will be asking for clauses saying that 'Zionism is not racism' and 'the Law of Return is not racist'."

Nurses close clinics, delay operations at 3 hospitals

By JUDY SIEGEL
Jerusalem Post Reporter

Nearly 3,000 nurses who are dissatisfied with their union's fight for higher wages yesterday closed outpatient clinics and caused the postponement of operations at three hospitals in the Tel Aviv and Haifa areas.

The nurses, whose partial strike was opposed by their union and the Histadrut, worked according to a Sabbath schedule at Beilinson Hospital in Petah Tikva, Sheba in Tel Hashomer and Rambam in Haifa.

They want immediate concessions and are unhappy with the lengthy negotiations between the Nurses' Union and the employers, which began 40 days ago. Under the agreement reached when the nurses cancelled a general strike in January, the talks are to end in less than a week, and if no agreement is reached, the dispute – over pay and working conditions – will go to arbitration.

Health Ministry Director-General Dan Michaeli, who says he learned of the nurses' plans only on Tuesday from the afternoon newspapers, appealed to Haim Haberfeld, chairman of the Histadrut's trade union department. But Haberfeld, who also opposed the strike action, was unable to head the nurses off.

Keremia Padan, head of the Nurses' Union, which claims to represent all the country's 22,000 nurses, told *The Jerusalem Post* yesterday that she was sorry that the rebels' sanctions had caused "distress and suffering to patients, and harmed the nurses' case as well."

The union may consider action against the rebel nurses.

The ministry and the nurses fear that the atmosphere will heat up even more soon, as the nurses' impatience over their meagre salaries grows.

Ya'acov Friedler adds:

Yesterday's strike was generally observed by the 800 nurses at the Rambam Hospital in Haifa. But there were few disruptions, as the hospital's administration had made arrangements for a sabbath work programme.

Outpatients' clinics were closed and no elective operations were performed.

But nurses worked normally in the intensive care, preemie, and oncology units, and performed all scheduled dialyses. Maternity wards were fully staffed.

San Francisco mayor to sign pact with Zim

By YA'COV FRIEDLER

HAIFA. – San Francisco Mayor Dianne Feinstein is due here next week to put the official seal on the city's successful effort to woo the Zim company from neighbouring Oakland Port to San Francisco's Harbour. She will be accompanied by five members of her city's harbour management.

It was announced yesterday that, under an agreement reached with San Francisco, the ten big container ships of Zim's three continent container line will in future call at the San Francisco harbour on their way to the Far East. They will make some 35 calls in the harbour anually, the spokesman said.

Zim estimates that the favourable conditions offered by San Francisco will save the company several hundred million dollars anually.

The agreement will be signed next Monday, and on Tuesday Feinstein and her husband Richard Blum will be greeted by Mayor Arye Gurel in the Town Hall.

Kraus concerned most about drug dealing, property crime

By BARBARA AMOUYAL

Police Inspector-General David Kraus is concerned more with beefing up the police presence on the streets than with the $3.5 million "Operation Justice," which will provide security for war criminal John Demjanjuk after he arrives here on Friday.

Operation Justice could involve close to 1,000 police officers and Border Policemen, and over 30 security vehicles.

Kraus regards Demjanjuk's extradition "as not only a vital lesson in history" but as a "moral obligation." However, he has warned his men not to get caught up in the public frenzy but to proceed with their tasks as usual.

As far as Kraus is concerned, concentrated efforts to arrest gangs connected with property crimes or drug dealing take precedence over white-collar crime. Although the latter get headlines while the arrest of a petty thief is virtually ignored, Kraus says drug dealing and property crimes affect the public more.

In his first year as commander of the 18,000-strong Israel Police, Kraus has earned a reputation for being extremely analytical and professional.

A chief-superintendent who worked with Kraus in his days as Southern District commmander describes him as "a precision surgeon": "He knows how to cut through the nonsense and get straight to the point, and somehow manage not to offend or hurt those he's been operating on."

In the Police Ministry and in the various party headquarters, Kraus is known as a man who puts police work ahead of the burning political interests of the hour. "He's not afraid of politicians and he doesn't hesitate to call for an investigation against public personalities if he's convinced suspicions are justified," said a Justice Ministry official who has worked with Kraus on political investigations.

Kraus's reputation for integrity even extends to the confines of the lounge of the Beit Agron press centre, although his closed-mouth policy towards the media has brought some criticism.

"It's not my job to make stars out of my officers or myself," Kraus recently told reporters.

In response to the press' criticism, however, Kraus has agreed to periodic briefings, in which he says "all the cards will be put on the table." The only major stipulation, he told reporters last month, is that "whatever I decide is off-the-record must remain so. If you don't like this arrangement, then we'll forget the whole thing."

Kraus, 56, was born in Czechoslovakia and is the sole survivor of a family that perished in the camps during World War II. He started his police service as a patrolman in 1950, after being released from the IDF. Kraus has served as district commander of three separate police districts. He was first offered the job of inspector-general in 1981, after then-interior minister Yosef Burg dismissed Herzl Shafir from the post. Kraus worked as operations chief and as president of the police disciplinary court before accepting his present job.



David Kraus (Brutmann)

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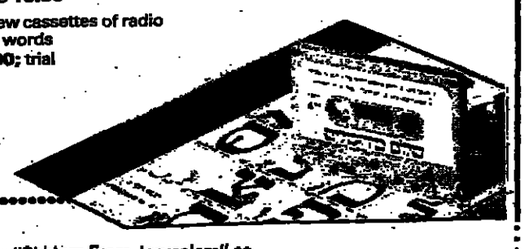
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LIBERALISM '86

The Liberalism '86 forum is intended to strengthen the links between the various Liberal factions, and to promote the principles of Liberalism.

You are invited to the third meeting, to be held at Z.O.A. House, on Sunday, March 2, at 7 p.m., to discuss

The Rule of Law and the Structure of Government in Israel

Chairman: Gavriel Strassman
Participating in the debate: Dr. Baruch Bracha, Mr. Yitzhak Berman, and Mr. Yehuda Sha'ari.

The discussion will be in Hebrew.

Independent Liberal Party
Shinui Movement
and Liberal Citizens

ad481-30-f24

Castro follows Gorbachev to podium at Congress

MOSCOW (AP). – Members of the ruling Politburo took the floor yesterday at the 27th Soviet Communist Party Congress, heralding Mikhail Gorbachev's opening address on foreign and domestic policies and answering his call for self-criticism.

Cuban leader Fidel Castro, Polish leader Wojiech Jaruzelski and Vietnamese leader Le Duan also spoke, according to Soviet television.

Castro was accorded the honour of being the first foreign guest to speak, the official news agency Tass said.

Tass quoted Castro as denouncing "the aggressive policies of imperialist quarters." He cited the Vietnam war as "an example of what the so-called low-intensity conflicts can cost imperialism."

On Tuesday, Gorbachev, the party's general-secretary, said in the keynote speech that the latest U.S. arms control proposal lacks "any serious preparedness" for an accord. He said timing of the next U.S.-Soviet summit depends on progress at the Geneva arms talks.

He told the 5,000 delegates and foreign representatives about his plans for improving the economy, making a clean break from what he called the "inertness and stiffness" of the leadership of the late Leonid Brezhnev. He called for critical self-analysis to avoid repeating mistakes.

Vitaly Vorotnikov, one of 11 politburo members and head of government of the Russian Federation, the largest and most populous of the country's 15 republics, was apparently the first member of the ruling body to speak yesterday. He discussed development problems in the Russian Federation, according to Tass. He said the party "has drawn lessons from the past mistakes."

He repeated Gorbachev's criticism of the Breshnev era, "when an under estimation of objective economic laws began to be increasingly felt in economic management."

In the new party programme to be adopted at the Congress, Gorbachev has called for huge advances in industrial performance – at least 150 per cent by the end of the century. He has called for better labour discipline, massive reductions in government bureaucracy and more autonomy for industry managers as the best means for achieving the nation's economic goals.

Gandhi's 'rich' policy triggers general strike

BOMBAY(AP). – A general strike called to protest against government-mandated price increases shut down much of the country yesterday, including this financial hub of more than 10 million people.

At rallies across India, opposition workers, housewives and trade unionists denounced what they called the government's "anti-poor, pro-rich policies."

They demanded a rollback in government-ordered price increases for bread, wheat, rice, cooking fuels, kerosene, petrol, diesel, fertilizers, coal and other essentials.

Shops, schools, banks and the stock exchange were closed in Bombay, the centre of India's business, film and shipping industries.

Most of the city's one million cars, taxis, trucks and buses stayed off the roads and commuter trains ran empty or with only a handful of passengers. Flights were about half full.

Bombay police said that on the eve of the strike they detained more than 1,600 people they described as potential troublemakers.

In New Delhi, opposition lawmakers walked out of the upper house of parliament to protest against the price hikes. About 190,000 people staged an anti-government rally nearby.

Opposition parties, labour unions and citizens groups called for a day-long general strike in 17 of India's 22 states and four of its seven federally administered territories. It was the biggest show of opposition to Prime Minister Rajiv Gandhi's government since his landslide election in December 1984.

In another development, a revolt broke out in the governing Congress Party over Gandhi's proposed legislation seeking to reverse a Supreme Court judgment entitling Moslem women to alimony.

A Moslem member of Gandhi's cabinet resigned, while demands by agitated women lawmakers forced the party leadership to call an emergency meeting of its parliamentarians today to discuss the disputed bill.

The proposed legislation, termed regressive by critics, seeks to placate Moslem fundamentalists, who have been staging anti-government rallies since the court ruling last April.



Nearly 17,000 skaters take part yesterday in Holland's "Elfstedentocht," an 11-city, 200-kilometre race over frozen rivers and canals. The race can be held only when the entire course is properly frozen. The last race took place in 1962. (AFP telephoto)

Engineer tells of futile effort to halt Challenger launch

WASHINGTON (AP). – A rocket-booster expert testified Tuesday that he did all he could on the night before the ill-fated Challenger explosion to stop the launch, but that his firm's management decided to approve it.

Roger Boisjoly, an engineer for Morton Thiokol Inc., told a presidential investigating commission that not a single engineer in a private meeting of company officials on the eve of the space-shuttle launch was in favour of going ahead the next morning.

The engineer said he had expressed "deep concern" about launching after a night of sub-freezing temperatures. He said that when they were cold, the rubber-like O-ring seals between segments of the booster rockets would not fit properly into their seats.

"It's like trying to shove a brick into a crack instead of a sponge," he said.

Last month's Challenger launch was in the coldest weather in the history of the nearly five-year-old U.S. shuttle programme. The shuttle was launched at 11:38 a.m. on Jan. 28 and exploded 73 seconds later, destroying the ship and killing all seven aboard.

A leading theory of the cause of the accident is that the seals failed, allowing a deadly plume of flame to emerge from the side of the right booster rocket.

Boisjoly said a Thiokol engineering superviser tried to sketch for Morton Thiokol management their concern with the joint.

"When he realized he wasn't getting through, he just stopped," Boisjoly said. "I was not even asked to give any input on the final decision chart...I was never asked nor polled. It was clearly a management decision at that point."

Meanwhile, U.S. Space Agency Administrator James Beggs, under indictment for fraud and on leave from his post has resigned to let President Reagan name a new chief for the embattled space agency.

Iran, Iraq both report gains

BAHRAIN (Reuter). – Iran said yesterday its troops had captured 200 sq.km. of mountain peaks in a two-day offensive into Iraqi Kurdistan, while Iraq said Iranian defences on the Faw peninsula in southern Iraq were crumbling.

Iran's national news agency Irna said dozens of abandoned villages amid snow-capped peaks rising to over 1,800 metres had fallen to the Iranians in the offensive, code-named "Dawn 9."

It reported hundreds of Iraqi casualties and said about 100 prisoners had been moved back behind Iranian lines.

Iraq's naval commander, meanwhile, said Iraqi forces had cut all supply lines to Iranian troops defending the Iraqi oil port of Faw, which they overran at the start of their "Dawn 8" offensive lauched on February 9.

The Iraqi navy was in full control of the northern gulf, Rear Admiral Abed Mohammed Abdullah told a midnight news conference at his headquarters on the Shatt al-Arab waterway near Basra.

An Iraqi counter-attack continued to advance, with forward units in some areas only about three km from Faw, he said. Iraqi naval vessels were supporting the army with heavy bombardment of Iranian positions, he said.

Abdullah said the 200,000 to 250,000-strong Iranian invasion force in Faw had suffered more than 40 per cent casualties. All pontoon bridges across the Shatt had been destroyed by Iraq's navy and air force, leaving the Iranians dependent on small boats for reinforcement and supply, he said.

Israel called largest supplier of arms to China

LONDON (AP). – Israel is now the world's largest supplier of arms to China, says a British arms-marketing chief quoted by the London *Daily Telegraph*.

The newspaper on Tuesday quoted George Conner of Mycon Marketing Services as saying in an address to a London Conference this week that in 1985 Israel sold £3 billion worth of military equipment to China.

The report by Desmond Wettern of the paper's Defence Staff said that China's modernization plan for its armed forces called for purchases of between $140 and $160 b. on new equipment.

CRUISE – A U.S. cruise missile crashed in the Beaufort Sea north of Canada soon after it was fired from a U.S. Air Force B-52 bomber, sources at Canada's Cold Lake Air Base in Alberta province said Tuesday.

FOREIGN NEWS IN BRIEF

Khmer Rouge guerrillas hit Phnom Penh airport

BANGKOK (AFP). – Khmer Rouge guerrillas killed 23 Vietnamese soldiers and wounded 31 others in an attack on Phnom Penh's main airport, the resistance movement's radio said in a report monitored here yesterday.

Khmer Rouge radio said the 30-minute attack destroyed two airplanes as well as the main hangar, an arms depot, and a petrol depot at Pochentong Airport, about 10 kilometres from Phnom Penh.

It said Vietnamese troop reinforcements and a 10-tank force were kept from reaching the airport due to the exploding depots.

Duvalier takes steps to move about in France

PARIS (Reuter). – Former Haitian president Jean-Claude Duvalier has begun legal proceedings against the French government to obtain the right to move freely in France, the Interior Ministry said yesterday.

Sources at the luxury lakeside hotel in Talloires, southeast France, where Duvalier is staying, said Tuesday the owner had begun legal proceedings to evict him.

Duvalier and his family, who fled to France on February 7, have been confined to the hotel since his arrival.

When he arrived the French government said he would remain for a week to allow him to find a permanent place of exile. His stay has been extended as a series of countries refused to accept him.

Another death linked to Tylenol capsule

NASHVILLE, Tennessee (AP). – Traces of cyanide were discovered in the body of a 32-year-old man and in an Extra-Strength Tylenol capsule found in a bottle underneath his bed, officials said Tuesday.

Timothy Green's body was found on his bed Sunday night by police after friends told authorities they had been unable to contact Green for days.

Earlier this month, Johnson and Johnson, the maker of Tylenol, took the capsules of the pain reliever off the market after a New York woman died from taking an Extra-Strength Tylenol capsule that had been laced with cyanide.

Claim of Aids scares off rapists

COPENHAGEN (AFP). – A 22-year-old woman persuaded two would-be rapists to leave her alone by claiming that she suffered from Acquired Immune Deficiency Syndrome (Aids), police said here Tuesday.

The woman was attacked on Sunday night by two men who dragged her into a cellar to rape her and threatened to kill her if she did not comply.

The men fled immediately when she told them she was suffering from Aids, which can be sexually transmitted, police said.

France bans New Zealand's lamb brains

PARIS (AFP). – Permission to import New Zealand lamb brains into France has been suspended since January 13, trade sources said here Tuesday.

French importers, fearing major financial losses, said suspension of import certificates could constitute a reprisal measure by Paris against New Zealand, where two French secret agents have been imprisoned for their role in the sinking of the Greenpeace ship Rainbow Warrior in Auckland harbour last July.

But the Ministry of Agriculture, responsible for approving certificates, declined to comment on the reports. Importers, however, speculated that the order to suspend certificates could have come directly from the office of Prime Minister Laurent Fabius.

Orchids bloom wild in London suburb

NAIROBI (AFP). – A study of plant life in greater London has turned up an extraordinary variety of flora – including rare orchids found in the suburb of Bromley, the UN Environmental Programme has said in a report published here.

Unep, the only UN agency to be based in a Third World country, issued the report at its Nairobi headquarters. It was based on a survey carried out by the Greater London Council.

The survey also found buddleia bushes at Broad Street station and a tropical grass known as *Paspalam paspaloides* growing beside the Regents canal at Hackney.

It added that a hay meadow in Hillingdon was so full of rare plants that it could qualify as a site of special scientific interest.

Can Cory cope?

By RAJENDRA BAJPAI

MANILA (Reuter). – Filipinos are waiting to see whether their new president, Corazon Aquino, can deliver on her promises to tear apart the "pyramid of disgrace" inherited from 20 years of Ferdinand Marcos rule.

After a bewildering four-day slow-motion coup that ended with Marcos and his entourage fleeing the country, a few are asking how well the inexperienced Aquino, 53, will tackle the major economic and political problems facing the Philippines.

Marcos left behind him a huge national debt, Communist insurgency, a stagnant economy and a demoralized business community.

Aquino's first problem is taking over the complex levers of power which Marcos used deftly, even ruthlessly, and which extend to remote provinces where the exiled president's loyalists still call the shots.

Marcos also left behind cronies who will not easily relinquish the power and privilege amassed during his rule.

Aquino has described Marcos as "an evil genius who ran amok surrounded by unthinking clones" and vowed to dismantle the products of his misrule in her first 100 days in power.

The armed forces, riven with factionalism but which rallied behind Aquino and helped her to power, remain a major force to reckon with.

Marcos warned before he left that Aquino's Defence Minister Juan Ponce Enrile and military chief Fidel Ramos had emerged as a new political force in the country and that they would manipulate her to their own advantage.

At a press conference yesterday she seemed self-assured and every bit the politician, a role she grew into in the two months of campaigning before the February 7 elections when, she claims, the Marcos machine cheated her of victory.

Diplomats and political analysts noted, however, that she had already made a major contribution to putting the Philippines on a new course by helping oust a repressive government deriving its power from the distribution of political patronage and cash to a few.

Aquino's popularity will probably help restore business morale, at least in the beginning. Analysts believe it will also help her in dealing with professional politicians now lining up with her.

But there are serious problems that she will not be able to charm away during the initial honeymoon of euphoria.

They include a Communist rebellion which grew dramatically during Marcos's last years in power.

Aquino promised during the campaign to free all political prisoners, including Communist leaders jailed by Marcos, and legalize the Communist Party.

Because of her popularity and her promises to restore human rights, diplomats believe the rebels might hold off for a few months.

But Aquino will be tested mainly on the economic front. Businessmen say she has a considerable advantage there over Marcos whose policy of "crony capitalism" had earned him the wrath of the entire business community.

Marcos's assets may exceed $3b.

NEW YORK (Reuter). – The new Philippine government and its allies in the U.S. Congress, anxious to recover the vast fortune they say was plundered by Ferdinand Marcos, are trying to stop the sale of three New York City buildings believed owned by his family.

Two New York brothers, alleged to have close links to the Marcos family, say they have exercised an option to buy the buildings for $250 million and are close to completing the deal.

New York Congressman Stephen Solarz, who led a recent probe into Marcos's property holdings in the U.S., says that if the deal is not stopped, the new government in Manila will not be able to attach them.

Solarz was to introduce legislation in Congress yesterday to allow a foreign government to recover a former leader's assets in the U.S. if those assets were the result of corrupt dealings.

According to congressional experts, the U.S. Central Intelligence Agency estimates that Marcos and his wife Imelda have $3b. in assets outside the Philippines. The experts say the figure may be more.

"My gut feeling is that there is much more because we are talking about a large collection of expensive art, jewels, gold and silver reserves, and a lot of real estate that we haven't yet identified," said Michael Lewan, administrative assistant to Solarz.

California Congressman George Miller has asked U.S. Attorney General Edwin Meese to freeze assets of the Marcos family in the U.S.

SPORTS



Israel's Eli Ohana (left) and England's Glenn Hoddle challenge for the ball during yesterday's friendly match at Ramat Gan Stadium. England won 2–1. (Guthmann)

England scrape 2-1 win against Israel

By PAUL KOHN

TEL AVIV. – After leading 1-0 at half-time through an early goal by Eli Ohana, a plucky, battling Israel forced England's World Cup football team to pull out all the stops in order to scrape a 2-1 win before 30,000 fans at the Ramat Gan Stadium yesterday.

Captain Bryan Robson, gaining his 50th cup for his country, scored England's winner from the penalty spot only three minutes before the final whistle. There seemed to be a distinct possibility of Israel's David-beating-Goliath dream becoming a reality, until the 50th minute, when Robson scored a magnificent equaliser with a 10-metre first-timer out of mid-air, from a Glenn Hoddle pinpoint pass.

England had to struggle all the way, as Israel's defenders defended their early lead stoutly, and the 1-1 score for most of the second half. Avi Ran, in goal, Avi Cohen, Eytan Eharoni and Menashe Shimonov were outstanding. They played with skill and great determination against a sophisticated England team going all out for victory.

In the presence of President Chaim Herzog on a sunny afternoon the two teams provided a clean, all-action game, although there was a festive mood as the newly renovated stadium was officially inaugurated. The excitement rose to crescendo pitch when Ohana put Israel ahead, after only six minutes. England had pressed heavily on the Israeli goal, with ten Englishmen in the home team's half, when Motti Iwanir sent a long ball accurately to Ohana. The Jerusalem striker outsped two defenders before sending a low shot past the advancing Peter Shilton. The English goalkeeper got his fingers to the ball, but it spun off them into the net.

Within a minute, Ohana nearly put Moshe Sinai through the English defence again and, in the 10th minute, Ohana himself again threatened, when he outpaced two red-shirted defenders.

Israel's tactics were clearly to exploit fast breaks out of defence, for it was the visitors who did nearly all the pressing. But Shimonov and Avi Cohen blotted Kerry Dixon, the central striker out of the game, and the tall Chris Waddle and Terry Butcher also failed to beat the Israelis in the air, where most of England's attacks were aimed. In the 30th minute, Avi Ran made a world class save from a Dixon header, and one nearly as brilliant from Robson's final kick of the first half.

The England midfield of Robson, Ray Wilkins and Hoddle had a stamp of class. But the English strikers and defence proved less accomplished. Hoddle had to play for long periods as a right-winger, when he clearly would have preferred a midfield role. In the 52nd minute, Bobby Robson replaced Dixon with Tony Woodcock of Arsenal. England were throwing everything into attack. But, in the second half, Eli Cohen, who replaced Rifat Turk, and Zahi Armeli each had a golden chance to regain the lead for Israel.

In the 62nd minute, Eli Ohana, who was Israel's only dangerous striker, pulled a hamstring. Ronnie Rosenthal took his place. Ohana will be out of the game for several weeks, the team doctor declared. He himself said disconsolately after the match, "This has not been my season."

Ran saved competently from Waddle and in the 75th minute he stopped a fine header by Robson. Another Robson header was on its way into the Israel net when Avi Cohen punched it over the bar. Referee Phillip Mercier, who controlled the game with Swiss precision, never having to issue a warning or yellow card to any player, had no hesitation in pointing to the penalty spot. In the 87th minute, Robson sent a sharp left foot spot kick past Ran to clinch the 2-1 scoreline. A minute before the end, Iwanir sent a 20 metres shot just wide.

English fans provided a lot of atmosphere to the game. Among them was 76 year-old Ken Batley, with a Union Jack vest, a red tail-coat and top hat, for whom this was England's 149th international match that he has seen. He said that Ohana was "the best player on the field." The English flags were borne by supporters from Hounslow, Oldham, Stoke, Crewe, Alexandra, and, one spectator stated boldly, "from Ga'ash."

"Israel put up a fine show and deserve a lot of credit. They gave us a good game and a sharp test," Bobby Robson, the manager of England's World Cup team said after the game.

"Israel gave us a shock with that early goal and we would have lost this match if England's players had not kept their cool and poise," Robson added. "We moved up two gears in the second half, but Israel too had a couple of fine chances."

Robson singled out for special praise Avi Cohen, Eli Ohana and Uri Malmillian, "a lovely passer of the ball."

A game for honour's sake

Post Sports Staff

TEL AVIV. – Maccabi Tel Aviv tonight entertain Limoges of France in a European Cup match, in which the Tel Avivians have nothing to gain from a victory but honour. Their languid display last week against Real Madrid put the final nail in their coffin for the season, as far as the European Cup is concerned.

Perhaps this may result in their playing brighter, less over-anxious basketball. They will no doubt be determined to avenge their defeat in France, which was due to Sengel's amazing last-second three-pointer from mid-way in the basketball court. The super-shot was made easier for him by the fact that nobody bothered to mark or tackle him.

Generally, all season long Maccabi have found themselves unable to open with marksmen going for three-pointers, who have generally been left with all the time in the world to plan their shots. From the Maccabi side, the two who were expected to score copiously under the new rule, Doron Jamchee and Mickey Berkowitz, have had a dismal season. Perhaps tonight will see them strike their best form again.

Perkis knocked out of major meet

By JACK LEON
Post Tennis Reporter

Shahar Perkis was bundled out of the prestigious La Quinta tennis tournament in California in the opening round by Holland's Michiel Schaper, who coasted to a 6-1, 6-3 victory.

Both Shlomo Glickstein and Amos Mansdorf opted to return home from the U.S. after learning they would have to take part in the qualifying tournament for the 56-strong main draw.

Glickstein, now down to around 170 in the ATP world singles rankings, is competing next week in the $25,000 ATP "challenger series" meet in Vienna. It will be the first time for five years that Glickstein has played in such a minor event abroad on the pro-tennis circuit, he told me yesterday. His 20-tournament 1986 schedule includes some half-dozen of these $25,000 events, where he is assured of direct entry, but the Israeli champion will also try to qualify for major Grand Prix meets, during the course of the year.

After Vienna, Glickstein will do just that when he joins Perkis and Mansdorf on the valuable European indoor circuit, starting with Milan on March 10, and continuing in Brussels and Rotterdam. These three Grand Prix competitions are worth between $250,000 and $300,00 in prize money, and each has a 32-strong singles draw.

Glickstein started his 1986 doubles partnership with Hans Simonsson with high hopes, but they lost in the first round in Boca Raton with the Swede turing out, although injured. They will team up again on the Eurpean clay-court circuit, starting with Monte Carlo in April in their preparations for the early-summer French Open – where last year they finished as runners-up.

SPORTOTO TIPS

By PAUL KOHN

	Single Line	Permutation
Shimshon v Bnei Yehuda	1	1X
Sha'arayim v Mac Netanya	2	2
Hap. K. Sava v Beersheba	1	1X
Betar J'lm v Mac. Haifa	1	1X
Mac. PT v Hap. PT	X	X
Hap. Haifa v Hap. J'lm	1	1
Jaffa v Yavne	X	X
Hap. TA v Mac. TA	X	1X2
Hap. R. Gan v Hadera	2	2
Bet. Ramle v Holon	1	1
Hakoah v Acre	1	1
Tiberias v R. Amidar	X	1X
Bet. Netanya v Bet. TA	1	1

SCOREBOARD

HOCKEY. – India twice came from behind to draw 2-2 with India in Pakistan. Each team had won two games in their seven-game contest before this draw.

NHL. – Maple Leafs 7, Rangers 3; Capitals 4, Red Wings 3 (OT); Bruins 7, Nordiques 4; Flames 4, Blues 1.

POLE VAULT. – World-record holder Maris Bruzhks was beaten into second place in the pole vault by his countryman Vladimir Cherstkov in a tournament in Cosfor, England.

Sicilians not betting on span linking them to mainland

MESSINA, Sicily (AP). – After a century of talk, the Italian government says it will stitch Sicily to the mainland across the Strait of Messina, most likely by building the world's longest single-span suspension bridge.

But local residents of one of the most underdeveloped regions of western Europe say they'll believe it when they see it. In Sicily, and across the strait in Calabria on the mainland, the expression "when they build the bridge" is the equivalent of "don't hold your breath."

The link would cross the 32-km-long strait whose fickle currents gave rise to the mythological sea monsters Scylla and Charybdis – a rock and a whirlpool – which Odysseus and his crew braved in ancient times.

Today modern ferries traverse the strait. But local residents say other perils await the bridge or tunnel. One is the region's entrenched organized crime community. Another is corrupt politicians, blamed for scuttling other development projects.

Giovanni Trecroci, the deputy mayor of Villa San Giovanni in Calabria, predicts a struggle among criminal elements to win contracts. "There will be a lot of deaths over this bridge," he says, "and it won't be in the construction."

Italy has been contemplating a bridge at the strait's narrowest point, where it is 3.2-km-wide. Since shortly after Giuseppe Garibaldi, Italy's unifier, landed in Sicily in 1860.

Sicilians long have referred to the mainland as "the continent," a reflection of their isolation. But Premier Bettino Craxi in December pledged an end to that isolation and signed a document calling for a link to the mainland by 1996.

Although a tunnel still is a possibility, the government indicates it prefers a bridge because it is easier to construct.

Craxi says such a man-made marvel should spur the growth of industry, business and tourism in the south, especially in Calabria, which forms the toe of mainland Italy's boot.

At 3.3 km. the length of the bridge would be more than double that of the longest existing single-span bridge, the 1.4 km. Humber Estuary bridge in Britain.

It would carry trains running along two tracks between six lanes of highway. Trains between Rome and Palermo, Sicily's capital city, now must interrupt their journey for an hour while rail cars are loaded on state-owned ferries.

Private ferries also carry people, cars and trucks loaded with Sicilian citrus and manufactured goods from the north.

Engineers say the bridge – with a deck 60 metres wide – would be able to withstand winds up to 300 kph or an earthquake stronger than the one which destroyed most of Messina in 1908.

But some critics say the projected $3 billion cost should go instead toward better housing or a power system that doesn't fail in almost every storm.

هكذا من الاصل

A healing philosopher

By YA'ACOV FRIEDLER / Jerusalem Post Reporter

THE RAMBAM, the towering genius of the Jewish spirit, who wrote the immortal *Guide for the Perplexed*, also wrote a treatise on the treatment of hemorrhoids.

Marking the 850th anniversary of the birth of Moshe ben Maimon, the Maimonides Institute in Haifa has started the publication, in English, of the Rambam's medical writings. The first volume, containing his treatises on poisons, hemorrhoids and cohabitation, has already appeared, and another four or five are in preparation. They will contain all the authenticated medical papers of the Rambam, as well as medical references in his other works.

The translations were made by Dr. Fred Rosner, professor of medicine at New York State University and director of the medicine department of Queens Hospital Centre.

In an interview with *The Jerusalem Post* the Yeshiva University graduate did not find it extraordinary that the Rambam should have descended from his spiritual loft to treating hemorrhoids.

"The Rambam lived in two worlds, the world of study and the world of *parnassa*, serving as court physician to the sultan in Cairo to earn his living.

"Ten of his medical treatises have been discovered and authenticated. There are another seven or eight attributed to him, which he almost certainly did not write. Modern research has also shown that the very beautiful 'Prayer of the Physician' attributed to the Rambam is the work of another, probably written by Marcus Hertz in Germany in 1783."

IT IS the 10 authenticated treatises that Rosner has translated, from the medieval Hebrew translations of the Rambam's original medieval Arabic texts.

He concedes as a "failing" that he could not work from the original text, but though he took some Arabic lessons it was modern Arabic, and he realized that it was a losing battle. However, he collaborated on the translations for 10 years with the late Hebrew University Professor Suessman Munter, who was considered the authority on the Rambam's works.

Actually, Rosner said, the 10 treatises were medical opinions the Rambam prescribed for members of the Sultan's family and put into writing. They contain no mention of God, "but I believe that his secular and religious sides together made up one whole person, a synthesis of yeshiva and university. He was a better doctor because he was a religious man, which permeated his whole approach and gave him a comprehensive *Gestalt*."

He believes that many biographers have done the Rambam a disservice by idealizing him to the status of a demigod, and embellishing him with legends that came from story tellers.

"Let's face it, his medical work was that of a medieval physician, excellent and advanced in some aspects, but quite out of date today. Nevertheless, he describes some treatments, including the treament of snake-bites, that is as modern as today's." This was a tourniquet above the bite, to stop the poisoned blood flowing to the heart, sucking out the poison through two incisions over the bite, followed by rinsing the mouth with oil to neutralize the poison.

IN HIS medicine as in his religion, the Rambam stressed moderation, "the golden mean." The only extreme position he advocated was in humility. "In his view you can't overdo humility" Rosner said.

He advocated diet and exercise – "in fact non-medicinal methods first, no medicine if it's not necessary, and one if you don't need two.

"Beyond the immediate illness the Rambam also advocated considering the patient as a whole being in his environment. He recognized the existence of psychosomatic illnesses, of the soul intertwined with the physical body and the mutual influence of the one on the other.

"He was also among the first physicians who beyond the treatment of the disease, searched for its cause. He was the first to establish a cause of diabetes 'the sweet sickness', and though his diagnosis that it was caused by the sweet water of the Nile was wrong, it showed his quest for causes."

THE RAMBAM'S treatise on cohabitation is essentially a sex manual, said Rosner.



Moshe ben Maimon... 'In his view, you can't overdo humility'

"It is the most widely translated of his medical works, and at least one fake Rambam sex manual, much longer than the authentic original, has appeared." But readers who peruse it to discover "positions" that might have been forgotten since the Middle Ages are in for a disappointment.

"It is not a physical manual, and as in every other field, the Rambam preaches moderation in sex too. The treatise is largely a prescription for aphrodisiacs when the sex drive is unnaturally low, and antidotes when it's too strong to allow for moderation."

It deals with herbs and foods that will either raise or lower the sex drive, said Rosner, and one cannot but wonder whether the Rambam's recommendation of chopped onions as an aphrodisiac may not be the origin of the chopped onions traditionally eaten on the Sabbath, when marital sexual intercourse is a *mitzva*.

IN ADVOCATING physical exercise, the Rambam added a warning not to engage in it immediately after a big meal.

Rosner thinks it is probably a pity that many of the yeshivot in Israel, where the Rambam's religious writings are *de rigeur*, totally ignore this aspect of his teachings as either "hellenistic" or a waste of time, or both.

He certainly could not have taken that view as far as he himself was concerned, considering the sheer volume of his achievements. His known works on religion, astronomy, mathematics, philosophy and medicine are prolific, not to mention the innumerable letters he wrote to the various diasporas and individuals. The rigour of his self-imposed regime may help to explain how he managed to accomplish so much.

Rosner describes the Rambam's day as a Cairo physician, a career he only embarked on when he was already 40 years old. He spent the whole morning at court, treating the sultan's entourage. Then he returned home to treat the queue of patients, rich and poor, high and lowly, until the light failed. He only ate one meal a day, and was so exhausted by his work that he would write his prescriptions reclining on a couch in order to rest a little.

Rosner, who during his visit took time out to lecture to physicians at the Rothschild Hospital in Haifa, sums up the Rambam by elaborating on the historic tribute to him: "Not only from Moses to Moses has there been no one like Moses – there has been no one like him since."

BRIEF ENCOUNTERS

THE TALES of hunters pale in comparison with the stories old soldiers tell, especially since most soldiers' versions are easily verified. The affable Prof. Arye Harel, a former ambassador to Moscow and director of Tel Aviv hospitals and now president of Magen David Adom, was a soldier in the British Army in World War II. In the War of Independence he headed the Hagana unit charged with liaison with the International Red Cross. He was then Dr. Steinberg.

"The unit began to operate before the State of Israel was officially proclaimed," Harel recalls. One night there was a fierce battle between a Hagana formation and Arab irregulars entrenched east of Kfar Sava. "Eight of our men were killed. To retrieve their bodies, a party was sent out. Their leader hoisted a Red Cross flag, and was killed outright. We then asked the IRC to intervene, and its man in Tel Aviv, Robert Guy, agreed to come.

"A call was made from Netanya across the lines to the mukhtar of the village and it was agreed that the Arabs would take the bodies of the Jews near their positions, while the Jews would pick up the bodies of the Arabs killed on their side, and the IRC would supervise the transfer."

No one knew that the body of one of the Jewish victims had been booby-trapped during the night. Three Arab stretcher-bearers were blown up when they picked it up. "Before that incident, the Arabs intimated they held three of our men prisoner. After the blast, they maintained we had misunderstood them," recalled Harel.

THERE AND THEN

Sraya Shapiro

A DAY before the British Mandate formally ended, Harel joined the IRC man in an expedition to Kfar Darom, near Gaza, where over 30 wounded were in need of medical assistance.

"We went in a Red Cross ambulance and an Egyptian civilian ambulance impounded near Ramle a few days earlier. At Yad Mordechai, where we halted on the way, Grisha, the local security man, insisted he should go with us. He said the area was heavily mined and we would be blown up without a guide. Guy reluctantly agreed.

"There was the crackling of shots all over, and soon after we passed Ashkelon we met the Egyptian advance party. We were arrested and led to the Egyptian field headquarters, where an officer, who said he was Major Salem, questioned us very courteously and treated us to lunch. He inspected Guy's papers, but did not ask for mine."

The major let his prisoners go when a local Arab policeman volunteered to take them out of the danger zone. "But before that we have to sign a statement that we were proceeding at our own risk. The policeman was aware of it, of course. Indeed, he wanted us to go through the fields, but Grisha desisted and as soon as we reached the road we left the policeman and turned towards Yad Mordechai."

Soon after leaving Yad Mordechai, a tire on the IRC ambulance burst. "Just then," recalled Harel, "as if from nowhere, came a lorry carrying armed men, shouting wildly. Acting on the spur of the moment, I ran towards them, shouting for help in changing the wheel. They did it in no time and asked where we were coming from. We said 'Cairo.'

"And then I made the mistake of my life. In a gesture of gratitude, I delved into my pocket and took out a bank note. It was Palestinian money, of course. We saw the stupefaction on the men's faces and they began to demand an explanation. But we just waved at them and sped away." Half an hour later they were in Yigael Yadin's headquarters, telling of their adventure.

THERE WAS an aftermath to this incident. A year later, Harel was sent to Auja Al-Hafir – today's Nitzana – which was the site of the mixed armistice commission, and where Israeli and Egyptian soldiers lived in close quarters.

"An Egyptian officer shook hands with me, saying, 'Haven't we met before?' It was indeed Major Salem.

"He told me that half an hour after we had left, an order came from Cairo to send the IRC man to Egypt and to try me at a field court. Of course they knew immediately that I was a Jew."

And then Major Salem made a gesture rare in the annals of warfare. He invited Harel to visit Gaza – a gesture worthy of a caliph.

"I asked Yeruham Cohen, who was in charge of the Israelis there," recalled Harel. "He told me, 'Go.' We dined at the officers' mess. It was a very good meal, indeed."

Trying to please

MUSIC

ISRAEL CHAMBER ORCHESTRA: Yoav Talmi conducting with Emanuel Gruber, cello (Tel Aviv Museum, February 23). Tchaikovsky: "Souvenir de Florence" for string orchestra; Lutoslawski: Dance Preludes; Mark Kopytman: Kaddish for cello and strings; Haydn: Symphony No. 83 in G Minor ("La Poule").

WITH its pending European tour apparently in mind, the ICO tried to make as good an impression as possible. Particularly appealing were the conductor's determination and confidence. Tchaikovsky's "Souvenir de Florence" had a strong and rich sonority and variegated sequences of dynamic changes. The same can be said of the closing Haydn symphony, with its exact and clearly phrased playing, strings in excellent shape and winds clearly audible in all registers.

Lutoslawski's folkloristic Dance Preludes were a disappointment. Written during the short period of Stalinistic socialist realism, which fortunately prevailed in Poland only between the years 1949-1954, the pieces are primitive in conception, extremely meagre in textures and amazingly unimaginative. A slight widening of the sonorific scope and the application of a trifle of expressiveness would perhaps have erased some of the dryness and unsubstantiality of what could only be described as inspired music.

Kopytman's "Kaddish" for cello and strings, written in memory of his father in 1982, bears only slight resemblance to the traditional melody, and is actually an elegy written in the form of a free fantasy. In this work, Kopytman reverts to his earlier style, but this in no way harms the originality and quality of the music. The work creates a stern, solemn and touching atmosphere. Emanuel Gruber, as always, not only played with technical competence but identified fully with the spiritual content.

MUSICAL EVENING: Shaul Bitran, Carmela Shohat, violins; Franz Gabor, Avraham Lowenthal, violas; Alvaro Gonzales and Michael Haran, cellos; Eli Heifetz, clarinet; Shmuel Hershko, tuba: Menachem Wiesenberg, piano (Tel Aviv Museum, February 22). Hindemith: movement from cello solo sonata; Sonata for Tuba and Piano: Berg: Four Pieces for Clarinet and Piano, Op. 5; Sonata for Piano, Op. 1; Schönberg: *Transfigured Night*, for string sextet.

THIS SECOND musical evening dedicated to German post-romantic music was in no way comparable to the first, neither in the weight of its programme nor in the level of performances. To open the evening with one very short movement from a Hindemith cello sonata seemed rather strange. This was followed by Hindemith's clumsy and musically poor *Sonata for Tuba and Piano*, which did not relay impressively even the little musical content it contains.

The next item, Berg's *Four Pieces for Clarinet and Piano*, was also a disappointment. Each one of the four movements contains, despite its extreme shortness, a wealth of musical ideas, compressed into a unique conciseness. They demand imagination and refinement, which both seemed insufficiently present. Eli Heifetz was unable to modulate his tone accordingly, resulting in a performance which lacked contrast and variation.

The clarinet pieces were followed by another masterpiece by Berg, his piano sonata, which in a way marks almost the end of tonality and symbolizes the disintegration of the established order. Wiesenberg did undoubtedly succeeed in bringing out the basic characteristics of the piece; but again, as in the clarinet pieces, not enough attention was given to details, which should have emerged with much more expressiveness and refinement.

The concert closed with Schonberg's *Transfigured Night*, which was perhaps the only piece in the programme which gave us complete satisfaction. Each one of the six players gave his part a full and emotionally gratifying interpretation. At the same time, the six formed a closed and well attuned ensemble.

BENJAMIN BAR-AM

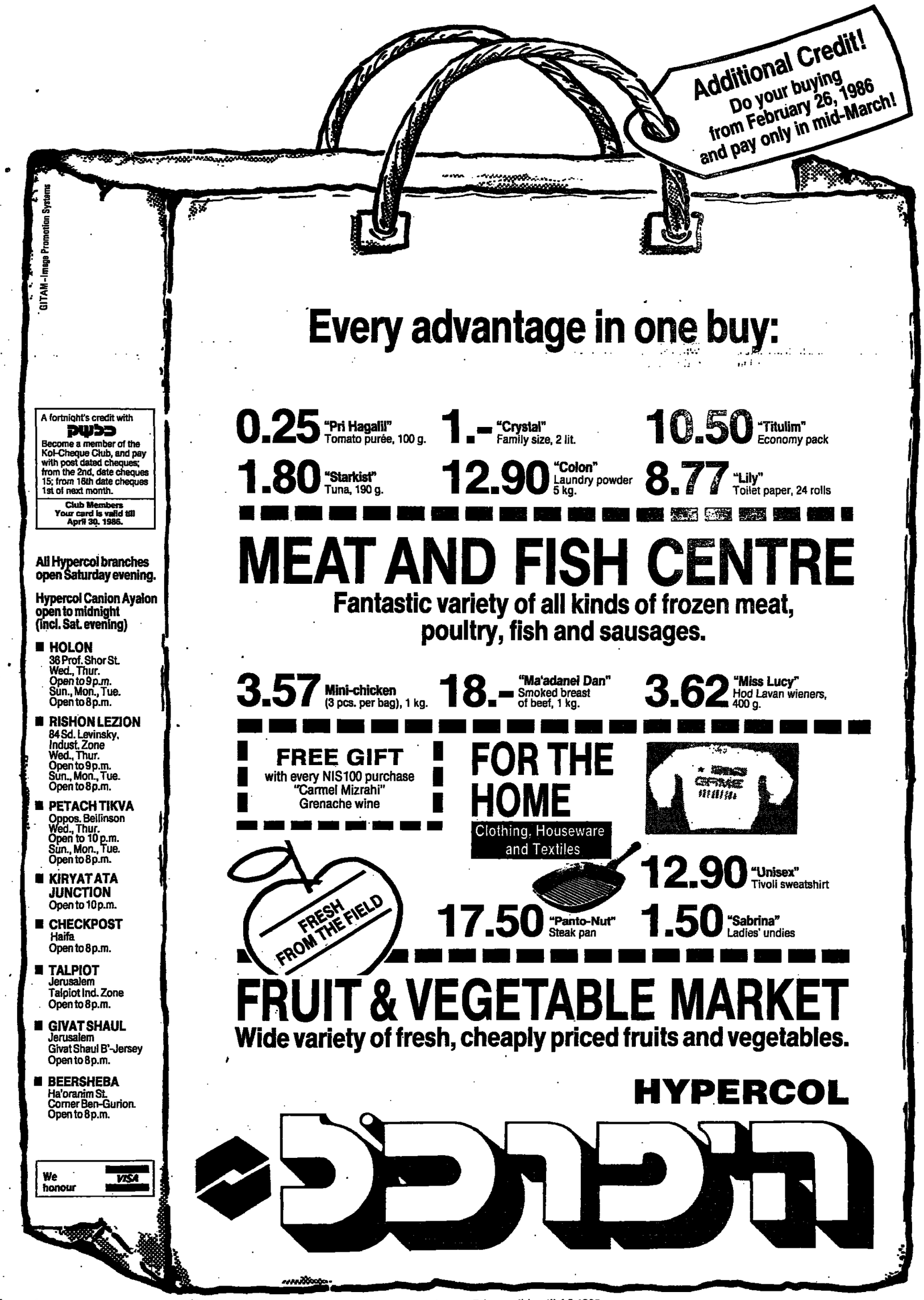
MOLTO CANTABILE. – Rinat National Choir, Stanley Sperber conducting, with audience participation (Rebecca Crown Auditorium, Jerusalem, February 22).

THE IDEA of giving lovers of choir music the chance to sing in an informal gathering, helped by a professional choir and a sympathetic conductor, is commendable. Warming up with a canon, Stanley Sperber led the audience through an old madrigal, let them listen to expert performances of the Rinat Choir in more complicated scores and taught them a Hebrew song by Gil Aldema. He introduced an early Schoenberg setting of C.F. Meyer's "Friede auf Erden" (Peace upon Earth), composed in 1907, in complex eight-part scoring, which Rinat performed expertly. He then returned to more melodious music.

The proceedings took place in the new Rebecca Crown Auditorium, a pleasant hall with ample room to move about. Acoustics are a bit dry, though some improvements would make this auditorium a lovely venue for chamber music and choral performances. With a capacity of 450 seats, it seems just the right size for these kind of presentations.

The promoter of *Molto Cantabile* should be recommended for his initiative which should inspire other lovers of choral music to follow suit.

YOHANAN BOEHM



The king's split with the PLO

The decision by King Hussein of Jordan to suspend political coordination with the PLO leadership has been widely opposed in the West Bank and Gaza Strip. The decision has created a groundswell of support for the PLO.

The speech last week in which Hussein revealed the decision is likely to become a landmark in the Middle East peace process. The main elements of that speech follow below.

In the name of God, the Merciful, the Compassionate

Fellow Citizens,
Palestinian Brethren everywhere,
Arab Brethren,

...We now have four bases which, taken together constitute the framework of our political movement towards our defined objective: achieving Israeli withdrawal from the occupied territories and restoring the legitimate national rights of the Palestinian people in return for a permanent, just and comprehensive peace in the region. These bases are:

1. Security Council Resolution 242 of 1967, which affirmed the principle of Israeli withdrawal in return for peace. Jordan not only participated in securing this resolution but has supported it since its adoption.

2. Security Council Resolution 338 in 1973, which reaffirmed Resolution 242 and introduced a new principle, namely that of negotiations between the parties concerned aimed at achieving a peaceful settlement, but "under appropriate auspices." As we understand it, "appropriate auspices" means an International Peace Conference in which all parties to the conflict would participate, including the PLO, in addition to the five permanent members of the Security Council. The international community affirmed that "appropriate auspices" meant an international conference by setting up the precedent of the Geneva Conference of 1973.

Again, Jordan has supported this resolution from the start.

3. The Rabat Summit Resolution of 1974, which considered the PLO the sole legitimate representative of the Palestinian people...

The Arab Peace Plan

4. The fourth basis emanated from the Arab Peace Plan adopted at the Fez Summit in 1982. Its importance derives from several considerations. For the first time the Arabs had unanimously chosen the peace option. The PLO, which participated in the summit as a representative of the Palestinian people, agreed to the plan. The plan itself reflected a responsible and serious Arab position aimed at achieving a peaceful and equitable settlement of the Arab-Israeli conflict. The question for all Arabs was no longer one of terminating the effects of aggression but of resolving the Palestinian issue in all its aspects, through the establishment of an independent Palestinian state on the West Bank and the Gaza Strip, with Jerusalem as its capital within the framework of a peaceful and comprehensive settlement. More important still, the Fez resolutions accepted the principles of Security Council Resolution 242, though without making an explicit reference to it....

As I indicated in my speech to the Casablanca Summit on August 7, 1985, there is no problem regarding the participation of Jordan and Syria in the peace process. The problem resides in paving the way for participation in that process by the PLO with the other parties as a representative of the Palestinian people in order to give the Fez resolutions the practicality of a workable plan.

In February 1985, Mr. Arafat, accompanied by other members of the Palestinian leadership, arrived in Amman. An expanded meeting was held at Al Nadwa Palace which was concluded by the signing of the Jordanian-Palestinian agreement, known as the February 11 Accord. This accord incorporated the following principles:

Accord of February 11, 1985

1. Total withdrawal from the territories occupied in 1967 in return for comprehensive peace as established in United Nations and Security Council resolutions.

2. Right of self-determination for the Palestinian people. Palestinians will exercise their inalienable right of self-determination, when it becomes possible to do so within the context of the formation of the proposed confederated Arab states of Jordan and Palestine.

3. Resolution of the problem of Palestinian refugees in accordance with United Nations resolutions.

4. Resolution of the Palestine question in all its aspects.

5. On this basis, peace negotiations will be conducted under the auspices of an international conference in which the five permanent members of the Security Council and all the parties to the conflict will participate, including the Palestine Liberation Organization, the sole, legitimate representative of the Palestinian people, within a joint delegation (joint Jordanian-Palestinian delegation)....

During the period between the signing of the Jordanian-Palestinian accord and September 1985, we concentrated our attention on the issue of Palestinian representation and the means to ensure the participation of the PLO in an international conference....

We had agreed with the PLO leadership, from the outset, on the need to emphasize the concept of Jordanian-Palestinian partnership, while dealing with the Palestinian dimension on the background of the larger Arab-Israeli conflict. On this basis, joint delegations visited world capitals, as I mentioned earlier. They also planned to visit Moscow and Washington. Moscow declined to receive the joint delegation, in keeping with the Soviet Union's position vis-a-vis the February 11 accord. Washington, however, while not refusing the accord, did not endorse all its principles. The need to concentrate on the United States therefore became apparent to us, just as the need to concentrate our efforts with the Soviet Union. We agreed with the Palestinian leadership on the following procedure for joint action:

1. We asked the U.S. administration to start a dialogue with the joint Jordanian-Palestinian delegation composed of Jordanian government officials and members chosen by the PLO.

2. After this dialogue, the PLO will declare its acceptance of Security Council Resolutions 242 and 338.

3. After this takes place, the United States will no longer be bound by its previous position not to conduct any talks with the PLO before the latter's acceptance of the two pertinent Security Council resolutions. Thus the United States would recognize the PLO and a meeting between American officials and members of the PLO can be held in Washington to discuss the issues of a peaceful settlement and the normalization of relations between them.

4. As a result of the normalization of American-Palestinian relations a major political obstacle blocking the Arab peace plan which gave an important role to the PLO, would have been removed. Arab efforts could then be channelled to pursue the efforts with the United States and other countries to convene an international peace conference.

On August 15, 1985, a meeting was held at our prime minister's residence in Amman attended by the Prime Minister, the Chief of the Royal Court, the Minister of Court, and the Foreign Minister from the Jordanian side, and Mr. Arafat accompanied by Mr. Khalil Al Wazir, Mr. Abdul Razzaq Al Yahya and Mr. Mohammed Milhem from the Palestinian side. During that meeting, the prime minister once again asked Mr. Arafat whether he was clear on the method of proceeding, particularly with regard to the second phase – namely PLO readiness to accept Security Council Resolutions 242 and 338. Mr. Arafat reaffirmed his acceptance of all steps and arrangements agreed upon between us, including the PLO's readiness to accept the above-mentioned resolutions.

In light of Mr. Arafat's reply, we informed the American administration that the suspicions it had on this subject were not justified and that we were awaiting their positive reply concerning the date of the meeting between American officials and a joint Jordanian-Palestinian delegation.

On September 7, 1985, we received the American reply, which said that it was not possible to hold the meeting, thus terminating this scenario before the first step, originally expected in June, was taken.

An international conference

I mentioned earlier that from the beginning our dialogue with the Americans had dealt with two issues separately: Palestinian representation and the international conference, with emphasis on the subject of Palestinian representation.

I will now turn to our efforts on the second issue, namely the convening of an international conference....

During talks in Washington in October 1985, we again raised the issue of an international conference after having proposed it to the administration prior to our departure to the United States. Meetings were held between Jordanian and American officials in Washington. The United States submitted a proposal concerning the international conference, which, after careful examination, seemed to suggest a conference in name only. We on the other hand insisted that the conference should have clear powers.

Among the various American suggestions was the inclusion of the Soviet Union in the conference only after it restored diplomatic relations with Israel, because this was an Israeli condition. We argued that:

1. An international conference without the participation of the Soviet Union would be a flawed conference.

2. If the reason to exclude the Soviet Union from the conference was that it had no diplomatic relations with Israel, which is a party to the conflict, the United States on its part does not recognize the PLO, which represents another party to the conflict. Thus the Soviet Union and the United States were in the same position in this regard.

3. It would be futile to plan seriously to convene an international peace conference if any party had the right to place conditions on who could attend.



King Hussein (Camera Press)

This applies to the five permanent members of the Security Council as well as the parties to the conflict. Therefore, it was imperative that an invitation be extended to Syria, the PLO and the Soviet Union to attend the conference if the peace process was to continue and the efforts for a just and comprehensive peace were to produce fruitful results.

After extensive discussions lasting three days, the United States accepted the following points which we proposed:

1. The UN Secretary General would issue invitations to an international conference under United Nations auspices.

2. Invitations to attend the conference would be issued to the permanent members of the Security Council, including the Soviet Union in addition to the parties to the conflict.

3. Security Council Resolutions 242 and 338 would form the basis for the international conference.

4. The Americans held to their position of requiring acceptance by the PLO of Security Council Resolutions 242 and 338, since these formed the basis for the convening of the international conference. We agreed to this understanding on the basis that Mr. Arafat had himself agreed to this last August.

Acceptance of UN Resolution 242

Upon our return to Amman in October 1985 we informed the Palestinian leadership of what we had accomplished during our talks in Washington. We informed them that the PLO would be required to accept Security Council Resolutions 242 and 338 in order to be invited to the international conference, to accept the principle of participating in negotiations with the Government of Israel as part of a joint Jordanian-Palestinian delegation within the context of the international conference, which would be convened to establish a comprehensive settlement, and to renounce terrorism. We also informed the Palestinian leadership that our discussions with the American administration regarding the question of the mandate of the conference were still inconclusive, and that further discussions would follow. We made it clear to the Palestinian leadership that a written statement of acceptance was needed from them, while leaving them to choose the appropriate time to announce that approval. The written acceptance was needed so that we could encourage the American administration to proceed earnestly to convene an international conference and to reassure them that the PLO was anxious to participate in the peace process. We had already made clear to the United States administration that Jordan would not attend the conference unless invitations were extended to the PLO, Syria and all other parties to the conflict.

We also promisd the Palestinian leadership that their acceptance would be kept confidential and shown only to the concerned United States officials until they themselves decided to announce it.

On November 7, 1985, after talks with President Hosni Mubarak, Mr. Arafat issued a statement in Cairo denouncing terrorism in all its forms, irrespective of its source. The PLO Executive Council then held a meeting in Baghdad, and as we were not officially notified of its decisions, we awaited Mr. Arafat's visit to Amman to hear from him once again the final position of the PLO on Security Council Resolution 242.

Meanwhile, I made a private visit to London on January 7, 1986 for medical reasons. While I was there, the Assistant Secretary of State for Near Eastern Affairs arrived in London with a United States delegation. He requested to see me to continue our discussions regarding the issue of the international conference. We held two rounds of talks in London....

Throughout both meetings the discussions focused on defining the mandate of the international conference and the participation of the PLO, as both issues had become interwoven as a result of progress achieved in the peace process. The American position has developed to the extent of agreeing to the right of the parties to the conflict to submit any disagreements between them to the conference. However, we could not reach full agreement regarding the role of the conference in settling disputes among the negotiating parties.

Concerning the issue of PLO participation in the conference, the American delegation reiterated their previous position requiring that the PLO should first accept Security Council Resolution 242, in order that the United States start a dialogue with it. The United States did not commit itself to accepting the invitation of the PLO to the conference. Our reply was that we wanted the United States to agree to have the PLO invited to participate in the Conference if it accepted Security Council Resolution 242. This point became the subject of extensive discussions, during which I asked for a clear American position to relay to the PLO. The American delegation agreed to take this up at the highest level on its return to Washington.

On January 21, 1986, I returned to Amman having achieved these results on the issues of an international conference and PLO participation. On January 25, 1986, our efforts bore fruit when we received a final reply from the United States administration concerning PLO participation in the international conference. Their reply came in a written commitment which said:

"When it is clearly on the public record that the PLO has accepted resolutions 242 and 338, is prepared to negotiate peace with Israel, and has renounced terrorism, the United States accepts the fact that an invitation will be issued to the PLO to attend an international conference...."

The United States would then start contacts with the Soviet Union with the purpose of participating, together with the other permanent members of the Security Council, in the international conference, which would be convened by the Secretary General of the United Nations.

On that same day, Mr. Arafat arrived in Amman with a Palestinian leadership delegation. We held four extensive meetings in the course of four days. I presided over three of these meetings. The discussion concentrated on the subject of American assurances and the PLO's position regarding those assurances. We assumed that the PLO would accept these.

But our brethren in the Palestinian leadership surprised us by refusing to accept Security Council Resolution 242 within this context, while acknowledging what they described as our "extraordinary effort," which caused a significant change in the United States position, and which would not have been possible had it not been for the respect, credibility and trust which our country, Jordan, enjoyed in this world...

The answer of the Palestinian leadership was that they wanted an amendment to the proposed text for acceptance of 242. The amendment would require an addition of a statement indicating the agreement of the United States to the legitimate rights of the Palestinian people, including their right to self-determination within the context of a confederation between Jordan and Palestine – as stated in the February 11 accord. We reminded the Palestinian leadership that the subject of self-determination within the context of a confederation was a matter for the Jordanian and Palestinians, and that no other party had anything to do with it.

Despite the fact that the most recent American position had satisfied PLO demands, we agreed to resume contacts with officials in Washington through the American Embassy in Amman on the evening of January 27, 1986. The American response was as follows:

1. The February 11 accord is a Jordanian-Palestinian accord that does not involve the United States.

2. The United States supports the legitimate rights of the Palestinian people a stated in the Reagan peace initiative.

3. The PLO, like any other party, has the right to propose anything it wishes, including the right of self-determination, at the international conference.

4. For all these reasons, the United States adheres to its position.

We relayed the American response to Mr. Arafat during an enlarged meeting at Al Nadwa Palace on January 28, but he insisted that we try again. We indicated to him that we had gone as far as we could with the American administration at that stage, but he insisted, so we got in touch once again and the reply was that the United States adhered to its position.

On the morning of January 29, an enlarged meeting was held at the Office of the Prime Minister and I headed the Jordanian side. I informed Mr. Arafat and his party of the American position as reaffirmed to us once again. The meeting ended with a statement by Mr. Arafat that he needed to consult the Palestinian leadership. We asked him to give us the final answer on the PLO position with regard to Resolution 242 while he was still in Amman, although we had ascertained, during that period only, that the PLO's decision to reject 242 had been taken in the meeting of the PLO leadership in Baghdad on November 24, 1985, but we had not been officially notified of that.

On the same evening (January 29) we received a suggestion from the American administration to the effect that the United States feels that since the PLO cannot decide at present to accept 242, it can wait until the time it considers appropriate. The United States feels that the peace process can still proceed with Palestinian participation from the occupied territories. The opportunity will remain available for the PLO to take part in the international conference the moment it accepts Resolution 242.

In our reply to the United States, we rejected this suggestion, indicating that this time the suggestion concerned not only the PLO but Jordan as well, since our unwavering position was: no separate settlement....

On February 5, 1986, the American side presented a new text containing the approval of the United States to convene an international conference on the basis of Security Council Resolutions 242 and 338 including the realization of the legitimate rights of the Palestinian people. We met with Mr. Arafat on the same evening at Al Nadwa Palace and we handed him the new American text. He promised to study it and at the same time gave us three differently worded texts which were one in substance, reaffirming the same PLO position which we had heard from the start of this round of meetings.

On February 6, Mr. Arafat had a meeting with our Prime Minister at his residence. The meeting was attended by the Chief of the Royal Court and by Mr. Abdul Razzaq Al Yahya and Mr. Hani Al Hassan from the Palestinian side. Mr. Arafat informed the prime minister that despite the positive development of the American position, recognition of the legitimate rights of the Palestinian people did not encompass the right to self-determination, to which, the PLO insisted, the United States ought to give its prior approval.

Another chapter ends

On February 7, Mr. Arafat left Amman still insisting on his position and on the reasons why the PLO was unable to accept Resolution 242. Hinging on this agreement, of course, was an immediate opening of an American-Palestinian dialogue on the basis of which we would have continued or efforts for convening an international conference to which the PLO would be invited to participate as a representative of the Palestinian people.

Thus came to an end another chapter in the search for peace....

Ladies and Gentlemen,

We have gone through a gruelling year of intensive effort and faced a host of obstacles, in many instances exceeding the limits of our endurance. But we succeeded in achieving what had been felt to be impossible. We opened up avenues that had been considered closed to us and to our Arab and Palestinian brethren. We were able to carry the Fez resolution to a point just preceding the international peace conference, for which it called. Buoyed on the one hand by progress achieved in providing a real opportunity for peace and, pained on the other by impediments when we were so close to the finishing line, we have felt it imperative to give a full public account of the situation and once again turn the matter over to the Palestinian forums in the occupied territories and the diaspora as well as Arab capitals and organizations.

Ladies and Gentlemen,

After two long attempts I and the government of the Hashemite Kingdom of Jordan hereby announce that we are unable to continue to coordinate politically with the PLO leadership until such time as their word becomes their bond, characterized by commitment, credibility and constancy. On our part, we know of no other way of fostering confidence than by truthfulness or of strengthening it than by clarity. For confidence is paramount in constructive cooperation.

As for you, Ladies and Gentlemen, who stand tall under occupation, who remain steadfast in our ancestral homeland, who are the keepers of Al Aqsa, the site of the Prophet's ascension, who are the defenders of Jerusalem and the Holy Places, living symbols of the long history of the land of prophets and holy men, and preservers of an identity which – God willing – will never be blurred or erased, to you, our Palestinian brethren in the occupied territories, I send my greetings, love and appreciation. To you I renew my pledge that here in Jordan we will remain as we have been: brothers committed to your cause and supporters in all you have to face. We will continue to support you, within our capabilities, by every available means. We look forward to the day when you will be a free people on your own soil, secure and confident of your present and future and proud of the fruits of your struggle and steadfastness.

As God is my witness, I have conveyed the message.

As God is my witness, I have conveyed the message.

As God is my witness, I have conveyed the message.

From the Almighty we draw the support. Peace be unto you and God's mercy and blessings.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.15 School Broadcasts **14.00** Works by Chopin **14.45** French **15.00** Surprise Train **15.20** Nils Holgersson (part 35) **15.50** Cartoons **16.00** This Is It **17.00** A New Evening – live magazine
CHILDREN'S PROGRAMMES:
17.30 Kid Video – animated film **18.00** Book Look **18.25** The Yarkon River
ARABIC-LANGUAGE programmes:
18.30 News roundup **18.32** Kid's Club **19.00** Meeting – current affairs **19.30** News
HEBREW PROGRAMMES resume at **20.00** with a news roundup **20.02** Sports **20.45** Programme Trailer **21.00** Mabat Newsreel **21.30** The Super Achievers – Canadian nature film **22.20** Newspaper Report **22.35** Sorrell and Son. Final epidode of a 6-part British drama serial about a father prepared to give up all for the sake of his son. **23.25** Quotation Mark – literary programme **00.05** News
JORDAN TV (unofficial):
17.30 Cartoons **18.00** French Hour **19.30** News in Hebrew **20.00** News in Arabic **20.30** Goodnight and God Bless **21.10** Return to Eden – 2nd part **22.00** News in English **22.20** Feature Film
MIDDLE EAST TV (From T.A. north):
13.00 Animals, Animals, Animals **13.30** Another Life **14.00** 700 Club **14.30** Shape-Up **15.00** Afternoon Movie **16.30** Spiderman & Friends **17.00** Flying House **17.30** Muppets **18.00** Lucy **18.30** WKRP **19.00** News **20.00** Hardcastle & McCormick **21.00** Another Life **21.30** Sixty Minutes **22.30** Paper Chase **23.13** 700 Club

ON THE AIR

6.02 Morning Melodies **7.07** Prokofiev: Overture, Op.42; Copland: "El Salon Mexico" (Utah/Abrabanel) **7.30** Kaminsky: Symphonic Overture (IPO/Mehta); Strozzi: 2 Ariettas; Donizetti: English Horn Concerto (Holliger); Pieces by Willaen, Czesitzki, Stolz, Boehm, Meyerbeer; Tippett: Divertimento; Mozart: "Exsultate Jubilate"; Ami Maayani: Festive Overture (IPO/Mehta) **9.30** Liadov: Polonaise; Prokofiev: Classical Symphony (London Philharmonic/Batiz); Scriabin: Poeme, Op.60; Rachmaninov: Piano Concerto No.2 (Vered, New York/Davia); Tchaikovsky: "Francesca da Rimini" (IPO/Bernstein), Symphony No.4 (Cleveland/Maazel) **12.05** Tel Aviv Quartet – Mozart: Quartet, K.589; Mendelssohn: Quartet, Op.44/2 **13.00** Handel: Organ Concerto No.3; Mozart: Divertimento, K.136; Beethoven: "An die Hoffnung"; Grieg: Piano Concerto (Ousset, London Symphony/Marriner); Vaughan Williams: "Job," ballet music **15.05** Meeting Musicians **16.00** Rami Bar-Niv, piano – Bach-Busoni: Toccata in C major; Prokofiev: Sonata No.4; Chopin: Nocturne; Bar-Niv: Toccata; Edel: 2 Pieces; Gershwin: Rhapsody in Blue **17.30** Beethoven: Piano Concerto No.3 (Haskill, Lamoureux/Markevitch); Mendelssohn: Cello Sonata, Op.45; Brahms: String Sextet, Op.18 (Cleveland Quartet, Zukerman, Greenhouse); Khachaturian: Flute Concerto (after Violin – Galway); Khachaturian: Adagio from "Spartacus" **20.05** Chopin: 3 Nocturnes **20.30** Jerusalem Symphony Orchestra, Sixten Ehrling conducting; David Bar-Ilan, piano – Glinka: "Ruslan and Ludmilla" Overture; Tchaikovsky: Piano Concerto No.2; Dvorak: Symphony No.7 **23.00** The Golden Generation – "Toscanini in London" – Brahms: Haydn Variations, Symphony No.2 (Philharmonia)

First Programme

6.03 Programmes for Olim **7.30** Favourite Old Songs **8.05** Compass – with Benny Handel **9.30** Encounter – live family magazine **10.30** Programme in Easy Hebrew **11.10** School Broadcasts **11.30** Education for all **12.05** Oriental songs **13.00** News in English **13.30** News in French **14.06** Children's programmes **15.30** Speaker's Podium **15.53** Notes on a New Book **16.05** Middle East Crossroads **17.20** Everyman's University **18.06** Jewish Traditions **18.47** Bible Reading **19.05** Lesson in *Tania* **19.30** Programmes for Olim **22.05** Castles in Spain

Second Programme

6.12 Gymnastics **6.30** Editorial Review **6.53** Green Light – news commentary, music **7.00** This Morning – news magazine **8.05** Safe Journey **9.05** House Call – with Rivka Michaeli **10.10** All Shades of the Network **12.10** Open Line – news and music **13.00** Midday – news commentary, music **14.06** Matters of Interest **15.10** Magic Moments **16.05** Songs and Homework **17.10** Economics Magazine **18.06** Any Questions? **18.51** Today in Sport **19.05** Today – radio newsreel **19.35** This Week in the Knesset **20.05** Hebrew Songs **20.30** Basketball – live broadcast from Yad Eliahu of the match between Maccabi Tel Aviv and Limoges, France **22.30** Yiddish songs **23.05** Between Ourselves

Army

6.10 Morning Sounds **8.30** University on the Air **7.07** "707" – with Yitzhak Roeh **8.05** Good Morning Israel **9.05** Right Now – with Dan Shilon **11.05** The Old Days – with Orly Yaniv **13.05** Israeli Style – with Eli Yisraeli **15.05** What's Doing – with Erez Tal **16.05** Four in the Afternoon **17.00** Evening Newsreel **18.06** Economics Magazine **19.05** Radio Radio **20.05** Israeli Rock **21.00** Mabat – TV Newsreel **21.30** University on the Air (repeat) **22.05** Popular songs **23.05** From the Classical Record Shelf **00.05** Night Birds – songs, chat

CINEMAS

JERUSALEM 4.30, 7, 9
Eden: White Nights 4.15, 6.45, 9.15; **Edison:** Death Wish III; **Habira:** Gulag 4.30, 6.45, 9; **Kfir:** Rocky IV; **Mitchell:** Target 6.45, 9.15; **Orgil:** Year of the Dragon 4, 6.30, 9; **Orna:** Parole de Flic; **Ron:** The Lover; **Semadar:** Kaos 6.30, 9.15; **Binyanei Ha'uma:** When Father was Away on Business 6.45, 9; **Beit Agron:** A Star is Born 5; Mask 7.30; Dona Flor and Her Two Husbands 9.45; Everything You Always Wanted to Know About Sex 12 midnight; **Cinematheque:** Singin' in the Rain 7; My Man Godfrey 9 (small hall); Hiroshima Mon Amour 9.30; Streets of Fire 12 midnight

TEL AVIV 4.30, 7.15, 9.30
Allenby: Naked Face 5, 7.30, 9.30; **Beit Leissin:** Fright Night 11.15 p.m.; **Ben-Yehuda:** Back to the Future; **Chen 1:** Year of the Dragon 4.15, 7, 9.45; **Chen 2:** American Flyer 5, 7.20, 9.45; **Chen 3:** Marie 5, 7.20, 9.45; **Chen 4:** Doin' Time 10.30, 1.30, 4.45, 7.20, 9.40; **Chen 5:** The Sure Thing 10.30, 1.30, 4.45, 7, 9.40; **Cinema One:** American Ninja 5, 8; **Cinema Two:** Purple Rose of Cairo; **Dekel:** White Nights 7, 9.30; **Drive-In:** The Falcon and the Snowman 7.15, 9.30; Sex film, 12 midnight; **Esther:** Red Sonia; **Gat:** Twice in a Lifetime; **Gordon:** Choose Me; **Hod:** Death Wish III; **Lev I:** Target 1.30, 4.50, 7.15, 9.30; **Lev II:** Bonnie and Clyde 2, 5, 7.30, 9.40; **Limor Hamehudesh:** Prizzi's Honor 4.30, 7, 9.30; **Maxim:** Birdy 4.30, 7, 9.30; **Mograbi:** Commando; **Orly:** And the Ship Sails On 4.30, 7, 9; **Paris:** When Night Falls 12, 2, 4, 7.15, 9.30; **Peer:** When Father Was Away on Business 4.15, 7, 9.30; **Shahaf:** The Lover; **Studio:** Jagged Edge; **Tchelet:** Plenty 4.30, 7, 9.30; **Tel Aviv:** Rocky IV; **Tel Aviv Museum:** Favorites of the Moon; **Zafon:** Ran 6.15, 9.30; **Tamuz Hamehudash:** Clockwork Orange 6.45, 9.30; Dead Men Don't Wear Plaid 12.15 midnight

HAIFA 4.30, 6.45, 9
Amphitheatre: Back to the Future 4.30, 7, 9.15; **Armon:** Red Sonia; **Atzmon:** Death Wish III, 4.30, 7, 9; **Chen:** Commando; **Moriah:** closed; **Orah:** The Lover 4.30, 7, 9.15; **Orly:** Jagged Edge 6.45, 9; **Peer:** Plenty 4, 6.30, 9; **Ron:** Rocky IV 4, 6.45, 9.15; **Shavit:** Ran 6, 9; **Rav-Gat 1:** Year of the Dragon 3.45, 6.30, 9.15; **Rav-Gat 2:** White Nights 3.45, 6.30, 9.15; **Keren Or Hamehudash:** Kaos 6, 9; Neighbors 11.30 p.m.

RAMAT GAN
Armon: Red Sonia 5, 7.15, 9.30; **Lily:** Prizzi's Honor 7, 9.30; Romancing the Stone 4.30; **Oasis:** Year of the Dragon 6.50, 9.30; **Ordea:** Death Wish III, 7.15, 9.30; **Ramat Gan:** For Those I Loved 6.45, 9.30; **Rav-Gan 1:** Marie 5, 7.30, 9.40; **Rav-Gan 2:** Birdy 5, 7.20, 9.45; **Rav-Gan 3:** Plenty 4.30, 7.10, 9.40; **Rav-Gan 4:** Jagged Edge 5, 7.20, 9.45

HERZLIYA
David: Purple Rose of Cairo 7.15, 9.30; **Hechal:** Rocky IV 4.30, 7.15, 9.30; **Tiferet:** Commando 4.30, 7.15, 9.15; **Daniel Hotel:** Brewster's Millions 7.15, 9.30

HOLON
Migdal: Zapped 7.15, 9.30; **Savoy:** Rocky IV 4.30, 7.15, 9.30; **Armon Hamehudash:** Pray for Death 5, 7.15, 9.30; Picasso's Adventure 11.30 p.m.

BAT YAM
Atzmaut: Rocky IV, 4.30, 7.15, 9.30

GIVATAYIM
Hadar: Rocky IV, 4.30, 7.15, 9.30

RAMAT HASHARON
Kochav: Moving Violations 4, 7; Cotton Club 9.30

GIVE SOLDIERS LIFTS

WHAT'S ON

Notices in this feature are charged at NIS 6.90 per line including VAT. Insertion every day of the month costs NIS 138 per line, including VAT, per month.

JERUSALEM

Museums

ISRAEL MUSEUM. Exhibitions: Early 20th Century Posters (avant-garde) ◊ Two Artists, Two Landscapes, works by Shalvah Segal and Eli Shvadron ◊ Traditional Jewelry, Permanent Display of Jewish Ethnographic Jewelry ◊ Ancient Mirrors, display of mirrors from different cultures ◊ Contemporary Art from the Museum's Collection. ◊ Milestones in Israel Art, major works of this century plus: audio-visual programme (Ayala Zacks Abramov Pavilion) ◊ Building in Jerusalem, computer games to building with stone ◊ "Narot Mitzvah," Ideas for Light in Jewish Ritual ◊ The Cosmic and the Divine, Andean textiles ◊ Placescape: 14 artists present versions of surrounding landscapes. (Paley Centre, near Rockefeller Museum). ◊ Permanent collections of Judaica, Archaeology, and Ethnic Art ◊ **Rockefeller Museum:** closed till Feb. 28. Borwosky Fine Arts Wing closed Mar. 7-23. **Visiting Hours/Events, Main Museum:** 10-5. At 11: Guided tour of Museum in English. 3: Guided tour of Judaica and Heritage galleries.

L.A. MAYER MEMORIAL INSTITUTE FOR ISLAMIC ART. Visiting Hours: Sun.-Thur. 10-1; 3.30-6. Fri. closed. Sat. and holidays 10-1. 2 Hapalmach St., Tel. 02-661291/2. Bus no. 15

Conducted Tours

HADASSAH – Guided tour of all installations * Hourly tours at Kiryat Hadassah and Hadassah Mt. Scopus. * Information, reservations: 02-416333, 02-446271.

HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16.
2. Mount Scopus tours 11 a.m. from the Bronfman Reception Centre, Sherman Building. Buses 9, 28, 4a, 26 and 23 to the first underground stop. Further details: Tel. 02-882819.

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – 8 Alkalai Street, Jerusalem. Tel. 02-699222.
ORT. To visit our technological High Schools call Jerusalem 533141; Tel Aviv 396171, 233231, 240529; Netanya 33744.

TEL AVIV

Museums

TEL AVIV MUSEUM. Exhibitions: Dan Kutka (1938-1979). Sculptures, drawings, paintings, photographs. Museum Collection. Museum Visiting Hours: Sun.-Thur. 10-2; 5-9. Sat. 11-2; 7-10. Fri. closed. **Helena Rubinstein Pavilion:** Scopes of Contemporary Drawing from Kunstmuseum Basel. **Visiting Hours:** Sun.-Thur. 10-1; 5-7. Fri. 10-1. Sat. 11-2.

Conducted Tours

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours – Tel Aviv, Tel. 220187, 233154.
WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 88817.
PIONEER WOMEN – NA'AMAT. Morning tours. Tel Aviv, 210791. Jerusalem 244878.
HADASSAH VISITORS DEPT. Astor Hotel, Room 01. 105 Hayarkon St., Tel 03-223141.

HAIFA

Museums

HAIFA MUSEUM, 26 Shabtai Levy St. Tel. 04-523255. Exhibitions: **Modern Art** – Reuven Rubin, the portrait in his work in retrospective; Ya'acov Hefetz, Sculptor, 17 Naive Artists. **Ancient Art** – Jewish coins of the Second Temple Period, Egyptian textiles, terracotta figurines, Shikmona finds. **Music and Ethnology** – Jewish costumes, 20 porcelain pieces from the Feis and Natan Celnik collection, U.S.A. Open: Sun.-Thur. and Sat. 10-1; Tue. and Sat. also 6-9. **Ticket also gives admission to National Maritime, Prehistory and Japanese Museums.**

هكذا من الاصل

First shots at birth control

WOMEN in the next decade may be able to be vaccinated against polio, rubella, smallpox, tetanus – and having babies.

The first human trial of a birth control vaccine, which has already been proven to prevent pregnancy in baboons, began this month in Adelaide, Australia. The Flinders Medical Centre there, long involved in the vaccine's development, was chosen by the UN World Health Organization to determine the hormone-based vaccine's safety and possible side effects.

Thirty already-sterilized women have volunteered for the first phase of experiments, which will take nine months. Following the successful completion of this phase, the vaccine will be tested at greater length, for effectiveness in preventing pregnancy in fertile women. The WHO estimates that if all goes well, the vaccine will become available to the general public by the mid-1990s.

According to WHO official David Griffin, who was involved in the vaccine's development, this method of birth control can be as important an innovation as the pill, and much safer. The vaccine is expected to remain potent for between 1 and 2 years.

The hormone contained in the vaccine is human chorionic gonadotrophin (hCG), which is produced soon after fertilization and is necessary for the establishment and early maintenance of the fetus. When injected, the vaccine triggers an immune response that neutralizes the hormone, thus interrupting the reproductive process before the fertilized egg has implanted itself in the womb.

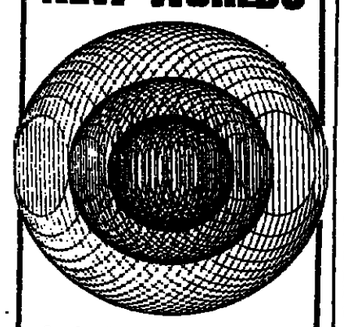
DOCTORS generally have terribly messy handwriting, almost as bad as that of journalists. But in the case of physicians, indecipherable writing can lead to erroneous hospital records and misinterpreted instructions to nurses and other staffers.

A Tel Aviv company called Development Concepts Ltd. has found a way to eliminate the confusion, and make going on rounds in hospital wards a much more efficient procedure. According to the latest issue of *The Israel Economist*, the Medlink patient-care information system records the data obtained by doctors at the patient's bedside and integrates these with test results and clinical evaluations.

Doctors can visit patients carrying a portable data collector, an eight-bit, two-line display microprocessor that records letters as well as numbers. Data are stored in an internal memory, whether they are changes in the patient's condition, or orders for medication, tests or consultations. At the end of their rounds, the doctors can plug the portable data collector into the hospital department's microcomputer for full printouts and processing.

Each day, an updated report may be printed for each patient's file, and a discharge report can be prepared instantly when he is about to leave for home. In addition, the system can produce cross-section reports to determine the incidence of a certain disease, medications used for certain problems and prescribed dosages of medicines administered.

NEW WORLDS



Judy Siegel-Itzkovich

YOUR GRANDMOTHER was probably right when she forced a spoon of cod-liver oil down the throats of her children, at least according to a new study conducted by a professor at the University of Munich. Peter C. Weber of the medical clinic found that the fish oil is responsible for the enhanced protection against health and blood-circulation disorders enjoyed by the Eskimos of Greenland.

While about half of all deaths in Denmark are from heart-related problems, no more than 3.5 per cent of the Arctic hunters and fishermen die from these causes. Eskimos get most of their fat from fish oil, which contains a high concentration of eicosapentaenoic acid. Derivatives of the acid, called prostaglandins, are known to have a major role in sealing injured blood vessels. They also "grease" the interior of undamaged vessels to prevent thrombosis.

In Weber's study, reported by the German Research Service, West Europeans were allowed to continue their regular diet, plus 40 ml. of cod liver oil per day for several weeks. This "tonic" reduced blood pressure and slowed clotting. They didn't put on weight, despite the added fat, nor did they complain of any side effects. The research term recommends a daily shot of cod-liver oil to get the Eskimo's powers of resistance.

THE COURSES you order at a restaurant will arrive at your table faster if Israeli eating-places adopt a system being tested by 7 restaurants in the Silicon Valley, San Francisco and Los Angeles areas. Waiters beam orders to the kitchen and bar with a new hand-held terminal that uses FM radio waves to transmit the messages.

The signal, according to the January issue of *Science Digest*, is transmitted to a computer connected to a printer. Two-way communication lets the waiter know when the food is ready and if a particular order is not available. *The system carries a filet mignon* price tag – up to $95,000 but, for restaurants that gross at least $750,000 a year, it may well be a worthwhile investment.

Israel is missing the Thailand express

By DANIEL HALPERN
Special to The Jerusalem Post

BANGKOK. – Back in Jerusalem, Israeli industrialists, trade officials and politicians repeat the oft-heard call for a massive drive to increase exports as the number one national priority. From here, however, an examination of Israel's trade relations with a number of countries in Asia – the region with the fastest rate of GNP growth in the world today – reveals a rather disappointing history of apathy and ignorance on the part of the Israeli business community and government as to the tremendous opportunities available.

Asia is not a monolithic entity. It comprises a number of nations, ethnic groups and economies vastly divergent in size, economic structure and levels of development. One myth which far too many Israelis continue to adhere to is the mistaken notion that, given the nation's sophisticated high-tech exports, her trading partners should naturally be developed Western economies (with the assumption that developing economies are not worth pursuing).

Thailand is a classic case in point. "It is a land of incredible opportunity," explains Ariel Kerem, first secretary at the Israeli Embassy here. "Unfortunately, we have hardly scratched the surface. On the whole, Israel firms have not taken full advantage of the wide range of lucrative business options this fertile country has to offer."

Thailand, situated on mainland Southeast Asia, is roughly the size of France and has a population of some 50 million. Agriculture remains the backbone of the Thai economy, accounting for 70 per cent of jobs, 60 per cent of foreign exchange earnings and 24 per cent of gross domestic product.

Not surprisingly, the agro-industrial sector has grown rapidly in recent years. As a result, Thailand has become one of the select few net-food-exporting countries in the world, and the only one in Asia. By 1990, manufacturing output is expected to reach that of agriculture. With GNP per capita of only about $1,000, Thailand is quite competitive for labour-intensive industries (in manufacturing and in agriculture), owing to its large pool of inexpensive, trainable and motivated workers, and its abundance of agricultural and mineral resources.

Thailand is often portrayed as an investor's "dream come true," for it contains all of the elements for sustained growth: a diverse resource base, strong private sector, conservative government (which despite frequent changes in the ruling elite, has succeeded in maintaining an incredibly high degree of political stability), and strategic location within Southeast Asia.

The Thai government aggressively promotes foreign investment in the knowledge that foreign sources of innovative new technologies are crucial to that country's continued successful development. The trend here is increasingly towards privatization and away from government involvement in the economy.

Decha Boonchoochuay, secretary-general of Thailand's Board of Investment, sums it up as follows, "Thailand is a free-enterprise, free-market economy. The process of structural adjustment, although initiated by the public sector, must be implemented by the private sector. Due to the increasingly severe budgetary constraints faced by the public sector, we have to look to the private sector to maintain the country's momentum in economic growth."

DESPITE THESE seemingly ideal conditions for joint ventures between the two countries, the actual level of bilateral trade remains pitifully low, according to preliminary data released by Israel's Central Bureau of Statistics covering the first nine months of 1985. Imports from Thailand surged a whopping 103 per cent to $14.4 million, while Israeli exports to that country fell 14.77 per cent to $10.5m. For 1985 as a whole, Israeli imports from Thailand are estimated to have reached $18m., while exports to that country stood at about $14m. Surely someone has pondered the question why the overall level of bilateral trade is so minute?

During the course of interviews with leading Thai bankers, industrialists and trade officials, one point was continually repeated: Israeli firms all too frequently come to Thailand with a short-sighted strategy of "sell what you can immediately – and then leave." David Baillee, planning officer at Thailand's Bank for Agriculture and Agricultural Cooperatives (Baac), explains: "You (Israelis) can't just come to Thailand and dump a load of equipment. If Israeli firms want to succeed here, as have those from America, Japan, Hongkong and elsewhere, they must stay and take a longer-term approach. That means invest, in cooperation with Thai partners. *This is the key to success here.*"

Chusak Himathongkom, senior vice president of Bangkok Bank Ltd., Southeast Asia's largest bank, presses the point further: "We are intimately acquainted with Israeli technological advances, especially in agriculture. Many of us, myself included, have even been to Israel to study your methods. But the reason *trade has not developed further is* that far too often Israelis tend to come here, sell or offer a particular service, and then leave. What Thailand needs is joint-venture investment for the long-term. This investment need not be capital – we are looking for technology and expertise."

Obviously, without new long-term agreements, Israel's government-owned consulting company, Tahal, cannot afford to maintain its presence in Thailand. When asked why Tahal has not been particularly successful in getting new long-range projects, Nicolai Dascal, Tahal's representative in Thailand, explains: "There are basically two factors. For political reasons, Tahal is ineligible for any ABD-financed project, since Indonesia, Malaysia and Brunei (constituent members without diplomatic relations with Israel) would veto any such option. And the second reason is cost.

"At some $8,000 per-man per-month (before expenses), Tahal is expensive. The U.S., Japan, and everyone else subsidize their country's contractors through their foreign aid programmes. Israel runs a 'lean' foreign aid programme – there are no funds left to subsidize us. 1986 will be a crucial year for us to establish new long-term contracts."

If the mass infrastructure development works of the Tahal variety are becoming less promising, fully-integrated management projects, complex counter-trade agreements and manufacturing joint ventures, which capitalize on Thailand's comparative advantage in low-wage mass-production, are rapidly becoming the wave of the future.

ONE LARGE-SCALE Thai-Israeli joint venture which exemplifies this trend is the comprehensive dairy farm project currently under way near Chaing Mai in northwest Thailand. *The $30m. deal brings together* the Israel Cattle Breeders' Association (Icba) and a local Thai partner, with financing provided by the Baac.

Biwako Technologies and Trading Ltd., the Icba's representative here, is a Singapore-based Israeli company which operates as a full-service trading company, representing Israel's leading manufacturers in such diverse fields as irrigation, electronics, animal husbandry and telecommunications.

Israel's "foreign aid" to Thailand – in the form of technical assistance – has been going on for many years. Chusak estimates that some 10 per cent of Bangkok Bank's agricultural credit department has undergone advanced training either in Israel or by Israeli experts here. Pittayapol Nattaradol, manager of Baac's planning department, figures the percentage of his staff that underwent Israeli training may reach 15 per cent. (In fact, while at the bank several Baac employees came up to me, said "shalom" in a Thai-accented Hebrew, and asked if I had been to the centre for Rural Planning and Development in Rehovot, as they had.)

One of Tahal's most successful operations here has been the National Agricultural Extension Scheme (Naes), a $60m., 10-year project funded jointly by the World Bank and Usaid. Naes was designed to afford farmers at the lowest levels access to the latest technological advances in farming, animal husbandry, and other related fields.

Bangkok Bank is financing a $34m. dairy farm project based on a moshav-type structure, which will require highly advanced technologies. The Bank's Chusak adds that, "We would welcome Israeli partners to assist in the development of this moshav community. In virtually every field of endeavour in which Israelis are interested in joint ventures *with Thai partners, Bangkok Bank is prepared to finance them.*"

Thailand is truly a land of opportunity. Although Israelis have been slow to realise this, it is not too late to cease hollow proclamations on the need to increase exports and instead to take the concrete steps necessary to develop bilateral trade relations with a view to long-term growth.

African economies: Boom in Malawi, bust in Zaire

Africa's economies are as varied as its people. As in their political struggles, the governments of black African states experience ups and downs in their battles against economic stagnation.

In today's report, two such countries are examined: Zaire, where the economy has fallen on hard times, and Malawi, whose economic progress is being termed "the African success story."

DESPITE warm praise from the International Monetary Fund for Zaire's rigid policy of austerity carried out under its close supervision, the country still shows no sign of economic recovery and growth. Most of the key indicators of the economy remain negative. For example, exports were down from $1.8 billion in 1984 to $1.4 billion in 1985.

President Mobutu's disappointment at the failure of his bold austerity programme and at the lack of success of the IMF's prescription for recovery is reflected in a secret document which he has sent under a seal of confidentiality to all his main creditors. In it, he asks not just for rescheduling of loan repayments, but also for greater foreign investments to support a plan for growth.

Mobutu points out that in the past 33 months of economic stringency, his government was able to pay back a little over $1 billion, of which over half was in payment for debt service charges. Other points in his secret memorandum are:

- Exports have all been affected by the fall in price of diamonds. Servicing of the external debt remains at such a high level that in 1985 it will have absorbed 20 per cent of all revenue from exports, and more than 40 per cent of the national budget.
- The net influx in fresh external funds remains negative, while net transfers rose to the substantial total *of $500 million in 1984.*
- Net credit transfers to Zaire have steadily declined.

IN STRIKING contrast, Malawi has become one of the major development success stories in Africa. Although a small, land-locked country, without major mineral resources and with little trained manpower and rudimentary industrial development, it has been able to increase its per-capita gross national product (GNP), to almost 6 per cent a year. Malawi has raised its savings and investment rates significantly, expanded agricultural production, broadened its industrial base, reduced illiteracy, and increased life expectancy. Exports have grown rapidly, the major roads that integrate the country have been built, and a hard-working civil service has been established.

The key to this success has been the ability of the government to formulate economic development policies that emphasize agriculture, exports, and the major role of the private sector, including smallholder agriculture. But even with these improvements, Malawi remains one of the poorest countries in the world, with a GNP per capita of $210.

In 1979, Malawi began to experience the severe external shocks that were to plague much of the African continent – a sharp deterioration in the international terms of trade and adverse climatic conditions. In Malawi's case, these were compounded by difficulties with trade routes to the Indian Ocean.

As a result, Malawi suffered a severe drop in per-capita income, high inflation rates, and a serious imbalance in both its external and government budgetary accounts from 1980 to 1982. The current account deficit as a percentage of the gross domestic product (GDP) almost tripled and foreign exchange reserves plunged because capital inflows did not cover current account deficits. Debt servicing costs almost quadrupled, and GDP fell by more than 6 per cent.

In 1981, the government launched a two-pronged effort to deal with the problems of the economy. One part of this effort was a stabilization programme designed to reduce short-term fiscal and balance of payments imbalances. The other included structural adjustment measures designed to make the use of resources more efficient and to ensure that positive growth of per-capita income could be reestablished and sustained.

Incentives to smallholders and other parts of the private sector have been increased. Government operations have been made more efficient. Policies on the exchange and interest rates now recognize supply and demand conditions.

As a result, production of key agricultural commodities has increased substantially largely because of improved price incentives. The government's budgetary deficit fell from 15.9 per cent of the GDP in 1981 to 8.3 per cent in 1984. The GDP grew at an average of 3.7 per cent from 1982 to 1984. In 1984, the deficit on the balance of payments current account declined to less than 3 per cent of the GDP compared with around 12 per cent in 1983.

Compiled from material in Colin Legum's *Third World Reports* (Zaire) and *World Bank News* (Malawi).

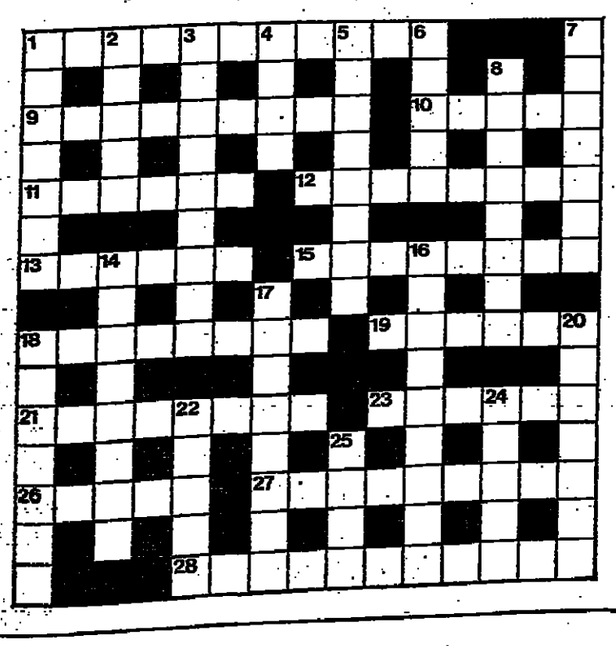
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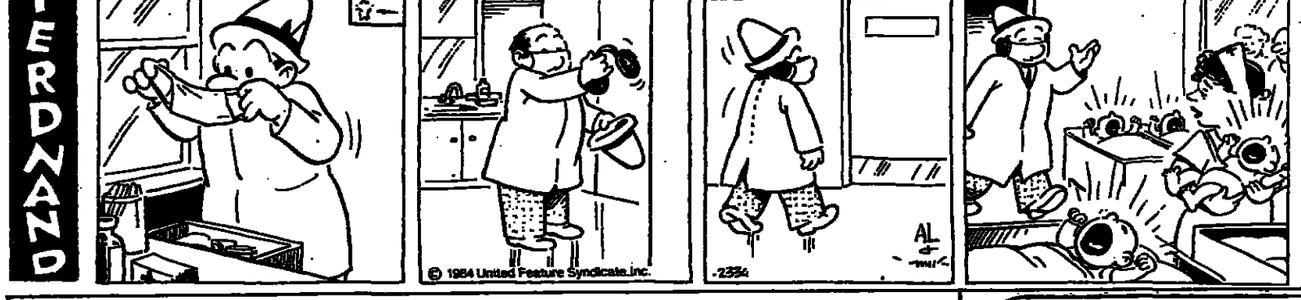
ACROSS

1 Food giving spirit for beer grading trade? (11)
9 Clear ring of intention in writing (9)
10 In all honesty it should be seen and not heard (5)
11 Computer's emerging data (6)
12 Precious enough at a premium (4, 4)
13 Quixotic though hesitant to utter bombastically (6)
15 Balearic in or about within island (8)
18 Hospital doctors who really feel at home? (8)
19 Grand in America being capable over there (6)
21 Procedure bringing businessmen to account (8)
23 Struggle for doctor getting into his overall (6)
26 Swore it couldn't be better (5)
27 Neat and tidy religious fraternity? (4, 5)
28 Repast one might regard as chicken-feed! (7, 4)

DOWN

1 Yielding ground in sport, by gum! (7)
2 Notable work having Number 10 backing (5)
3 A waste of industry (9)
4 Ruined a piece of sculpture (4)
5 Coteries of a sort difficult to comprehend (8)
6 & 16 Insignificant chap's personal record, but novel nevertheless (5, 2, 1, 6)
7 Flower crafty Charon is noted for (7)
8 Inclined to be long drawn out (8)
14 Doesn't sound a game that could end all square (8)
16 See 6
17 One who hasn't made a score in years (8)
18 Progress made on a principal route (7)
20 Notably neither flat nor sharp (7)
22 Lock taking a second to force (5)
24 Emblem of a tailless burrowing animal (5)
25 Part of the vessel fore and aft! (4)





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Eilat 7233	Rehovot *451333
Hadera 22333	Rishon LeZion 942333
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Jerusalem Institute for Drug Problems. Tel. 663828, 663902, 14 Bethlehem Rd.
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Fridays 8 a.m. to 3 p.m.
The National Poison Control Centre at Rambam Hospital, phone (04)529205, for emergency calls, 24 hours a day, for information in case of poisoning.

DENTAL

Tel Aviv: Dental Association clinic 49 Rehov Bar-Kochba, Friday: 6 p.m. to midnight: Saturday: 10 a.m. to 2 p.m.: 8 p.m. to 10 p.m. Tel. 03-284649.
Dental Clinic, 25 Rehov Ahimeir, Ramat Aviv Gimmel, Shabbat and hofidays: 6 p.m. – 10 p.m. Weekday evenings: 4.30 – 10, Tel. 03-426832.

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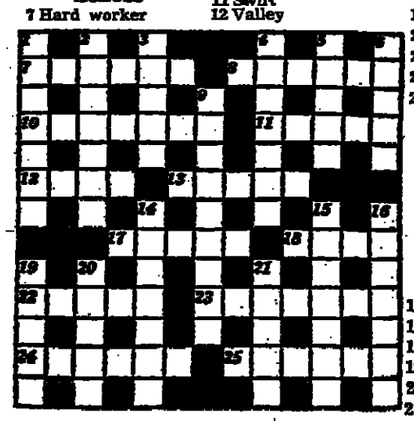
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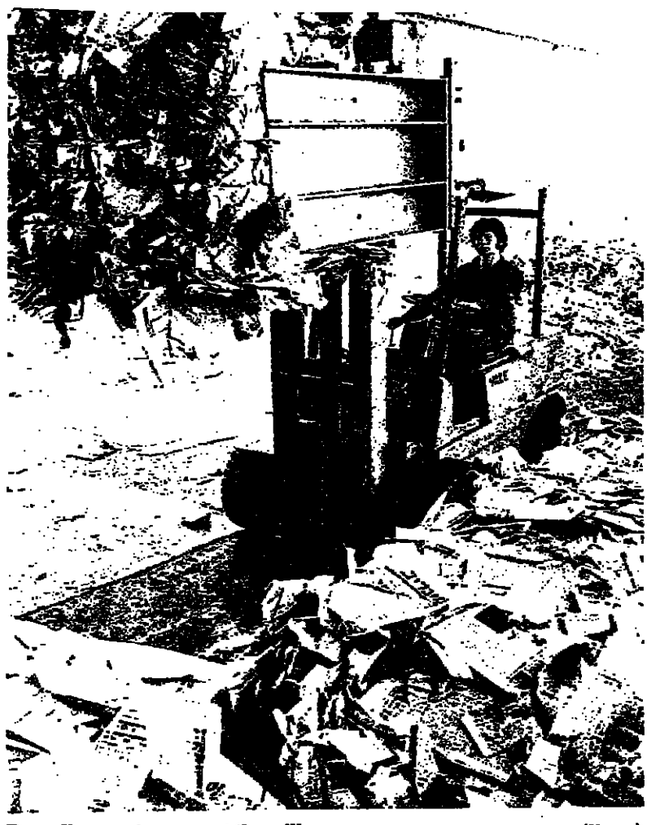
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'Printing' money – at Hadera Paper Mills

American Israeli Paper Mills is an unusual industrial company by Israeli standards. Its management manages and its workforce works, so it has carved a profitable niche for itself. But the company's success highlights the general corporate failure to adapt to changing circumstances, and also demonstrates the underlying problems of Israeli industry. PINHAS LANDAU reports.



Recycling waste paper at the mills. (Koren)

ISRAELI industry is alive and well, and living in Hadera. This bald statement – although we will soon hedge it with qualifications – is necesssary because, hearing the moaning of some sectors and the noise accompanying the crash of bankruptcies and rumblings of near collapse, one could easily believe that Israeli industry is doomed if not already dead. A general eulogy, however, is premature.

American Israel Paper Mills, based in Hadera, is one of the oldest and largest industrial concerns in the country. Dun & Bradstreet last year ranked it number 10 in its list of the 100 biggest industrial concerns in the country, up from number 13 the year before.

If some of its rivals continue to perform badly, chalking up losses and cutting back staff, capacity and operations, AIPM will continue to rise in the ranks, by the simple expedient of not making terrible mistakes. After all, in the kingdom of the blind, the one-eyed man is king.

AIPM is not the most exciting outfit in the country, nor is the paper industry going anywhere special, here or abroad. All the great cliches about "the cutting edge of modern technology" and "breaking through the frontiers of knowledge" may be safely stored away. They don't apply in Hadera. The place isn't on the edge of anything and no frontiers are visible there.

But if you want to discover a basic industry that runs efficiently under Israeli conditions, without the dramatics and "sex-appeal" of the high-tech wonderkids on the one hand, and without the near-bankrupt financial position of most Israeli companies, the Paper Mills is as fine an example as you will get.

Before explaining how and why AIPM has reached this happy situation, it is worth pointing out some of the company's features that are negative, or at least the source of negative comments by analysts.

The Paper Mills are regarded as a monopoly (bad), protected by the government from competition from imports (very bad), living in a cosy world in which their prices are fixed by the Ministry of Industry and Trade and on a cost-plus basis (terrible), and belonging to an industry with no growth, much less export, prospects (disgusting). In short, the words of one senior government economist, "AIPM is exactly the kind of industry we don't need in this country anymore. It was fine in the 50s and 60s, but not now."

It would be fair to say that most of those charges are true – but so what?

AIPM IS A local monopoly because, having bought up most of the competition, it is the only large paper producer in the country. In its main areas of business – printing, writing paper and household products – its market share is about 90 per cent, while overall it makes about one-third of the country's total paper requirements. Its dominant market share is attributable to the trade barriers, allowing in only imports from EEC countries, that the government has erected for its benefit. The company's management claims that the tariff barriers can be circumvented without difficulty by determined people – but there is always the extra weapon of non-tariff barriers in reserve.

Managing director Shmuel Rotem also admits that the price controls of the Ministry of Trade and Industry are based on the cost calculations of the company – after checking by the ministry – but asserts that financial expenses are not included. Thus the three main crimes of monopoly – protection and guaranteed price mark-ups and hence profit margins – may all be taken as given. That the paper industry is not a focus of growth or major technological advance is equally undeniable.

It may even be true that, if the choice were available today, a decision based on the purely economic criterion of optimum allocation of resources would rule against setting up a paper industry in Israel. Our comparative advantage is zero, since we have neither the wood nor the plentiful water supply that are the usual prerequisites for setting up a paper industry.

But we cannot choose because the mills are here, a product of American-Jewish investment and a 1950s-style Labour Zionist creation of facts and places of work for the mass of new immigrants. In these circumstances, it is just as well that there is only one major mill, because that is the absolute maximum the country could take. Two or more might delight the free-marketeers with their competition for a while, but when the mutual throat-cutting reached the jugular, they would form a cartel.

Whether cartel or monopoly, an industry like that, particularly in the Israeli reality, will always benefit from both government protection from imports and accommodative price-fixing for it. What makes this inevitable, and even tolerable, is that not only is that the way most of Israeli industry works, but also how most of European and much American basic industry works too. It's a cruel world and that's how the game is played.

In this context, and in order to head off indignant free-market criticism, it is worth quoting Rotem's remark that "when it comes down to it, there's nothing you can't import from abroad cheaper than you can make it here." This may not be absolutely accurate, but it goes a long way to explaining Israeli industrial and trade structures, not just in the paper industry. Maybe it shouldn't and needn't be that way, but it always has been and is today. And this is the context in which AIPM should be seen.

HAVING identified the company as monopolistic, protected, price-fixing, unsuitable (and low-paying), it is time to point out what's so good about it. In essence, this is really very simple. The very least one should ask from a firm in its position is that it should make a profit – after all, if you can't win when the deck is stacked in your favour, you really ought not to play. The very last thing such a cossetted company should do is go bust.

Yet the bulk of Israeli industry producing for the home market – whose position is, by and large, the same as AIPM's in that it is either monopolistic or cartelized, protected, price-fixing on a cost-plus basis, obsolete or unsuitable to Israel and appallingly low-paying – is currently in dire financial straits. In the face of a stringent price freeze (although wages are also frozen), the troubled industrialists bleat about the banks killing them with very high, real interest rates. AIPM is not bust, not illiquid and not even bleating. It is laughing all the way to the bank, and everything that has happened in the economy in the last 12 months has served to strengthen its position, rather than weaken it.

Thus what is so good about AIPM is that, unlike most of its fellows, it has made the most of its favourable situation. It may not sound like a lot but on a comparative basis, it really is. The secret of its success lies in avoiding the trap that the others fell into, namely over-reliance on borrowed money.

What sticks out in AIPM's balance-sheet (and the references are to the March 1985 report) the company has shareholders' equity amounting to 63 per cent of the total balance sheet. This is almost unheard of by Israeli standards, where debt-equity ratios often reach absurd proportions and where many companies have no own equity, living entirely from government and other loans.

Living on borrowed money was great so long as the loans were subsidized, but that's a thing of the past. The factor that has reduced so many companies to near-bankruptcy and is forcing an increasing number into the hands of the receiver is their inability to carry the burden of their debts. Blaming the banks for high interest rates is a convenient, but often illegitimate cover-up for incompetent management that created the problem.

AIPM's balance sheet of $108m has more strengths than the $68.24m in shareholder's equity, bolstered by another $11m of secondary capital in the form of convertible debentures. The company held nearly $8m in the bank and a similar amount in fairly liquid securities. Most of its long-term debt is dollar-linked, while its liquid assets are mostly shekel-denominated and unlinked. Its cash flow is strongly positive, since its investment programme is limited – it expects no surge in demand, given the state of the economy. All this means that the monetary policy in place since last July, far from choking the company and threatening its liquidity, has brought it more profit and further strengthened its financial position.

NOR HAS the "recession" – which is now genrally perceived as over, at least for the moment – affected it. Rotem describes business as good, with clear indications that he really means excellent. "People are buying like crazy," he notes, "and I hear that the same is true in other sectors of industry. I don't know how to explain it, but that's the situation". (Back in Jerusalem, economists suggested that the public was maintaining its living standards by drawing down savings, and local manufacturers like AIPM were benefiting tremendously from the fact that hundreds of thousands of Israelis stayed home last year and bought the things they would normally buy abroad from their local shops).

With sales up, wages down, raw materials' prices generally steady and now oil and other energy prices sliding steadily, operating profits have got to rise this year, even if prices have been frozen for nine months. The positive financial situation outlined above is simply the icing on the cake.

AIPM is not the only company in the country which was sensibly managed, with its finances and operations prepared for the economic storm in good time. It is no coincidence that Clal Industries is the largest shareholder in the company (26 per cent), since Clal's strategy since 1983 has been to retrench and get liquid rather than expand and go bust. Clal-affiliated or owned companies have been significantly absent from the corporate causalty lists as a direct consequence of this strategy.

AIPM's success has been atypical of industry and of the economy as a whole. But even its success reflects trends that were entirely typical. The very liquidity on which it floats is the result of conscious decisions not to invest in new plant and equipment beyond that necessary to keep up-to-date. The surplus funds go to *tapas* bank accounts which generate no wealth, jobs or exports. The whole balance sheet is that of a sleeping giant. The company could easily take on $50m. of debt to finance expansion or to buy into a new, and more exciting industry and thus to diversify – but in the Israeli reality of 1986, no industrial investment is likely to pay the cost of these loans, unless they were massively subsidized. And anyway, nobody has the money to lend.

Even individuals with money to invest would not be drawn to companies like AIPM. At best it is a solid and dependable outfit, with the trauma of its near-collapse 15 years ago now a distant memory. But with a net return on equity of maybe 10 per cent, who needs it? If we want to put our money in *tapas* accounts, we can do it ourselves.

Five-star Dubai hotel auctioned off

DUBAI (AP) – A five star hotel that cost 120 million dirhams ($32m.) went on auction in the first case of its kind in the Emirate of Dubai, it was reported here this week.

The newspaper *Al-Khaleej* said that the Dubai civil court ordered the auction of the Ramada Dubai to cover debts of 166m. dirhams ($45m.) run up by the owner.

The highest bid in the auction, which stated last Thursday, was 25m. dirhams ($6m.), according to court sources.

The 174-room luxury hotel was opened in June 1982 by Saud Abbas, a brother-in-law of one of the Galadari brothers, the business tycoons of the Emirate who are themselves facing court cases for unpaid multi-million dollar debts to several banks.

The ten-storey hotel is one of three Ramada hotels in the United Arab Emirates and one of 12 five-star hotels in the port city of Dubai.

Shlomo Maoz on the intricacies of high meat prices

The real cost of a chicken in every pot

A duty on imported beef of $3,115 per ton was approved yesterday by the Knesset Finance Committee. The real price of the imported meat is only $1,950 – meaning that the duty is 160 per cent of the price.

In the past, the government kept a monopoly on the import of beef. A large part of the price consumers paid for their meat was effectively a duty, but the government did not bother to seek legislative approval for pocketing the cash. Having recently licensed private firms to import beef, the government has now asked the Knesset panel to approve the tariff.

The duty is intended to protect inefficient producers in Israel. It allows the Israeli economy to remain backward while preserving the national fantasy of growth and sophistication.

To see how ridiculous are Israel's attempts at production and its exaggerated defence against imports, we need only look at the figures for one commodity. In the U.S. it costs 68 cents to produce a kilo of poultry, and in Israel it costs $1.55. Last year the Israeli consumer paid $1.15 per kilo and the government paid a subsidy of 40 cents.

In other words, both the government and the consumer subsidized the inefficient production of poultry.

But the public was fed the line that it was benefiting from a 35 per cent subsidy, when it was really paying nearly twice the price the same product costs abroad.

Meanwhile, the government continues to prevent the public from being able to buy cheap imported beef – all in the name of protecting agricultual settlement in all parts of the country and the bad joke of putting up chicken houses in areas that are just too cold for them.

In violation of proper public administrative practice, as it is known in democratic countries, the government here hides information from the public and doesn't bother with legislative review of hidden taxes, whose legality is questionable.

In a country which maintains the rule of law, a budget bill consists of two parts, spending and revenue, and the legislature must approve every tax.

But the government of Israel now takes in $70 million a year in duties on imported beef – until now a state monopoly – and uses the cash to subsidize inefficient domestic production of poulty. The government never asked for and thus never received Knesset approval for the duty it imposed on an import business which it reserved for itself. It always argued that it was acting in the best interests of the consumer by buying in bulk.

In other words, the government kept a separate cash drawer without public supervision, collecting taxes from consumers and handing out money to farmers.

The government acts similarly in the oil market. By regulating prices, it collects money from motorists who are forced to buy over-priced petrol and hands it out to users of under-priced heavy fuels. It handles water in the same way, generally subsidizing farmers at the expense of city-dwellers.

In the same way it subsidizes unprofitable intercity bus routes by overcharging on other routes.

Proper administrative practice demands that taxes be imposed only with Knesset approval and that money be spent only with Knesset approval. There should be no place for special funds managed by bureaucrats and ministers acting without legislative approval.

(Continued from Page One)

bers of their Egyptian workers home, compounding Egypt's already serious unemployment problem and reducing the remittances it receives from abroad. The revenue from Egypt's own oil exports have been dropping as well.

"These things alone may not have caused an outbreak," Toledano says, but political developments created a ready atmosphere for the rioting. Opposition political groups, representing all shades of opinion from the left to the Wafd to the Moslem Brotherhood, have been more active than in the past in agitating the government. The fact that President Mubarak issued warnings instead of ordering a clamp-down, created the impression that he is a weak leader.

Toledano ridiculed suggestions that the issues of Taba, the Achille Lauro or the Ras Burka massacre and its aftermath had any effect on the developments. Since President Gamal Abdel Nasser's death, foreign policy issues have not loomed large in Egyptian society, except for the 1973 war and the signing of the Camp David accords, he said.

The central security forces rank and file must have staged yesterday's riots with their commanders' acquiescence, Toledano says. These units are usually better trained and get a better type of recruit than the regular police, but the CSF cannot take over Cairo on their own because other units are also deployed there.

A high level of coordination among many commanders of different units would be required to bring down the regime, and such an elaborate conspiracy is likely to attract the secret service's attention, Toledano says. He does not believe there was any advance coordination.

Asher Wallfish adds:

Turmoil in Egypt will inevitably slow down the Middle East peace process and could even halt it, Alignment MK Amnon Linn said yesterday, commenting on the security police uprising in Cairo.

In addition to severely straining Egypt's relations with Israel, Linn said, the uprising will make other Arab rulers careful to avoid moves towards Israel which hostile elements on the domestic scene could use to undermine their regimes.

Linn, an expert on Arab affairs in

PRESIDENT'S

his faction, said President Hosni Mubarak could not survive unless he had the loyal support of his generals and the trade union leadership.

"If the Cairo crowds swarm onto the streets and riot as they did when the British ruled Egypt, Mubarak will have a problem," Linn said. "The curfew is not aimed at the subversives so much as at the aimless masses who can be whipped up by some imam to do whatever he wants. Teheran street mobs pulled the shah down and the same could happen to the Egyptian president."

He said the rumours about length of service in the security police were clearly amplified by the subversive elements harnessed to the fundamentalist movement. "The fundamentalists who seek to topple Mubarak know they can do the most serious damage if they get inside the security establishment," he said. "In our part of the Middle East we tend to regard the Sunni establishment as the normative Moslem structure which works for stability and conservatism. But the Sunni religious leaders in Egypt are under pressure to prove that they are more loyal to true Islamic principles than the Shi'ites, and to do that they must resort to extremes, such as fundamentalism.

Fish-breeders fear for their industry

By YA'ACOV FRIEDLER

HAIFA. – The country's fish-breeders intend to treble exports to $1.5 million this year, but fear that "hostile" government policies may ruin the entire industry.

The 70 fish-breeding settlements, almost all kibbutzim, strung out from Dan in the north to the southern Arava, currently produce over $22m. worth of fish and shrimps, eels and prawns for export, using land and water not suitable for most other uses. The ponds provide employment to 300 men, with dozens more working in the fish processing plants, the secretary of the breeders' association, Amnon Levin, told the press here yesterday.

He said that the various price freezes had caused breeders a loss of nearly $3m. during the past year. Consumers, however, benefited only marginally, he said, with merchants increasing their profits, since only the price of the carp is controlled at the retail level. The other fish, St. Peter's, grey mullets and silver carp, are price-controlled only at the ponds. They comprise nearly half of the 12,000 tons produced in the ponds annually.

Levin noted that advanced technologies made it possible to increase production twenty-fold without enlarging the ponds.

In fact, two Galilee settlements, Sassa and Shomrat, had closed their ponds during the past year because they were unprofitable.

"The fish ponds are an essential component of the mixed agriculture on which the settlements live. They provide reasonably priced foodstuffs, with a very high added value and can become an important export," Levin said.

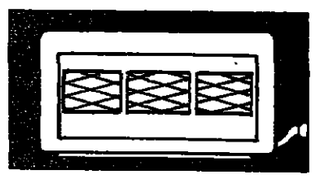
However, the policies of the Ministries of Finance and Industry, disregarding the recommendations of the Agriculture Ministry, are pursuing a price and import policy that can be explained only by politics, because the branch is mainly in the hands of the kibbutzim, he said.

While fish fillet can be imported without any limitations or customs, "and we live with that," the fear is that the Industry Ministry is about to cancel the restrictions on importing whole fish too. This despite the fact the importers have already managed to bring in nearly 5,000 tons, double the amount agreed upon.

Since it takes two years to prepare pond fish for marketing, the collapse of planning is bound to create chaos and shortages in the future, Levin warned.

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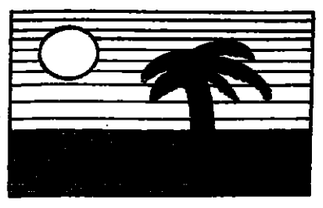
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How the oil-price drop is affecting producer countries

Oman cuts spending, but still no income tax

MUSCAT (Reuter). – In just a few weeks, Oman has rewritten its five-year economic plan, devalued its currency and cut government spending, with further austerity measures ahead.

Officials say the aim is to act quickly after the crash in world oil prices wiped out 40 per cent of the country's income in two months.

Oil accounts for 80 per cent of government revenue, but Oman's 500,000 barrels a day of crude now sell at $15 each against $27 late last year.

The fall has brought a state of shock to this country of 1.5 million people at the mouth of the Gulf. "It's a unique case; where else in history has a group of countries lost 40 per cent of its income in a few weeks?" said an economic adviser to Sultan Qaboos bin Said.

With a forecast shortfall approaching $500 million this year, foreign banks will be asked to provide at least half that amount in loans. The rest will come from reserves.

Economic planners expect Oman's economy to shrink in 1986 after five years when annual growth averaged 10 per cent or more.

Deputy Prime Minister for financial and economic affairs, Qais bin Abdulmoneim al-Zawawi, told Reuters that health and education would suffer less than other sectors from cuts. Defence, which accounts for 40 per cent of annual government expenditure of $4.5 billion, will not escape untouched.

Zawawi said Oman had asked Britain to delay delivery of eight tornado planes, worth some $350 million, from 1988 until 1992.

The officials also expect a reduction in the number of foreign workers in the country. These workers make up more than three-quarters of the private sector labour force of 250,000 to 300,000.

Nevertheless, say officials, things are not so bad that Omanis will have to start paying income tax. "The administrative burden of income tax would be too high and it probably wouldn't be acceptable socially," a senior finance official said.

Iran's answer: Cut production

ABU DHABI (Reuter). – Iranian Oil Minister Gholamreza Aqazadeh said yesterday that his plan for drastic cuts in production by Opec was supported by other oil producers in addition to Algeria and Libya.

Aqazadeh spoke to reporters after a meeting here which UAE sources said covered ways of combating the current slide in world oil prices.

The visit is part of an Iranian campaign to restore oil revenues.

Iran this week also sent an envoy to Saudi Arabia to try to convince the Saudis to cut production.

Aqazadeh said at the weekend that Iran would propose that Opec stop pumping oil for a period of two weeks to a month and then resume production at sharply reduced rates.

Algeria and Libya have joined Iran in urging Opec to cut output to boost prices, but have not so far publicly supported the idea of halting production completely for two weeks.

Asked if Iran was prepared to cut production alone, or with just Algeria and Libya, Aqazadeh told Reuters: "There are countries other than the three you have mentioned which have informed Iran of their readiness to cooperate in this respect."

He declined to name the countries.

Tunisia seeks to boost tourism and exports

TUNIS (Reuter). – Tunisia's embattled economy is suffering a further blow with the plunge in oil prices, Western economic analysts say. Oil is the country's most important export, yet the precious foreign currency it earns is expected to dry up in about five years.

The government forecasts that the country will become a net energy importer in the early 1990s if there are no big new oil finds.

There are 15 U.S. and other foreign oil companies active in Tunisia. Only about 10 new test wells are due to be drilled this year, it is stated, further reducing the chances of finding profitable new oil fields.

Tunisia produced 5.3 million tonnes of crude last year, netting about $800 million in hard currency. This year, the government says production is due to drop to five million tonnes.

If oil prices stablise around $15 a barrel, the country will lose about 110 million dollars in foreign currency revenue, Economy Minister Rachid Sfar estimates.

To help compensate for the loss, Sfar says exports must be boosted in other areas. Tourism is Tunisia's second-biggest foreign currency earner, followed by textiles and shoes and phosphates.

Throughout the boom oil years of the 1970s, Tunisia used its limited petroleum assets to help produce strong economic growth of around 7 per cent on average a year.

هكذا من الاصل

هكذا من الاصل

MARKET PLACE

PINHAS LANDAU

The wild blue yonder

The stock market, on cue, went berserk yesterday. But this was only to be expected. What was interesting, sad, and frightening all at once, was to see behaviour of the punters and to soak in the atmosphere in the offices of the banks and brokerage firms in Tel Aviv.

The magic music of easy money drew the "investors' of yesteryear back to their old haunts, like snakes being charmed out of their lairs by Indian flute-players.

The glassy-eyed look focussing on dreams of profit figures like phone numbers, was again in evidence. The bombastic talk, in a loud voice, of huge demand, massive rises and, in short, a hefty and above all rapid profit, have suddenly come racing back onto centre stage.

The most amazing thing about this boom is that the people pumping their money into shares are the very same ones who played and won, and played and lost, in the boom and bust that climaxed three years ago.

Nor have they forgotten their experiences, or that so many people lost so much money at that time. They are going in with their eyes open. A glazed look – but open eyes. It has to be seen to be believed.

And what has to be heard to be believed is the way they talk. They know that they are still well ahead of the general public. They firmly believe that they will get in in good time and that the masses will follow them – and that then they will succeed in getting out in good time as well.

Who knows, maybe they will? But what never fails to amaze is the atmosphere of Russian roulette – that "somebody is going to get creamed, but not me, because I'm so smart."

The record of the speculators is mixed. They know their chances of making money in a reasonably long-lived boom are at least 50-50, because the "masses," if they can be enticed in, will be left holding the parcel when it explodes.

A group of people who are in a different mood from that of the self-proclaimed speculators in their state of self-induced euphoria, are the professional fund managers.

This group represents the nearest thing the Israeli market has to "institutional investors." They prefer to buy when the general trend is down, and to sell when the market is rising. But now the market is not merely rising, but blasting off at a tremendous pace. Furthermore, the share funds, and the mixed share-bond funds, are attracting large sums of new money.

Under these circumstances it is difficult for the fund managers to sell, but that is what they would prefer to do and they will do it if they can.

Their overriding needs are to keep cool, to try and continue swimming against the current and maintain a sense of proportion. Yesterday they were looking for shares which still have fundamental value, at the new price levels. But as one of them admitted, there are very few such shares left. That, however, will not prevent the market rising if the flood of money pouring into it keeps up.

The general public still holds the key to the developments in the markets. If they get tempted by the inevitable wave of publicity regarding share X that rose 200 per cent in a month, and option Y that soared 500 per cent in next to no time – the kind of thing that will start hitting the media pretty soon – then the boom will go from strength to violent strength before exploding. But the funds and the "inner circle" will be well away from the danger zone by then.

If the public restricts itself to mutual fund participation and also comes to realize the inherent value that is currently being ignored in the bond market, then they will probably be doing themselves and everyone else a big favour.

TAX DEAL. – Norway and China have signed a tax agreement, the New China News agency reported. The agreement is designed to prevent double taxation and avoid tax evasion.

DEVALUATION. – Sudan has devalued the free market rate for the Sudanese pound by 22.4 per cent, to 4.25 to the dollar from 3.30, a Bank of Sudan spokesman said yesterday.

Mandelbaum not on Moda'i's list of new Bank of Israel governors

By AVI TEMKIN

Finance Minister Yitzhak Moda'i told *The Jerusalem Post* yesterday he had several candidates for the post of Governor of the Bank of Israel. He said he could not mention any names, except for those which had already been mentioned in the press. These were the former chairman of the Tel Aviv Stock Exchange, Dr. Meir Heth, Prof. Michael Bruno, and Deputy Finance Minister Adi Amorai.

Moda'i did not mention the name of the current governor, Dr. Moshe Mandelbaum.

Treasury sources told *The Post* that the Bejski committee investigating the 1983 bank share crash is expected to release its final report in the near future. Mandelbaum was warned several months ago by the panel that he might be harmed by its findings.

Mandelbaum denied reports yesterday that he was planning to resign next month. Speaking in Jerusalem at the presentation of the cen-tral bank's 1985 balance sheet, he said that over the past three years there have been reports that he would be replaced. "I intend to stay in my post. If somebody has illusions that it is possible to solve problems by effecting dismissals, he is deluding himself. Those who have tried this in the past, were hurt themselves," he said.

Moda'i said that the choice of the post of governor of the central bank should be decided on the basis of capability and potential, a hint that it should not be filled on the basis of political considerations. "The central bank is a very sensitive nerve centre. The appointment will be made after consulting with Prime Minister Shimon Peres," he added.

The finance minister said that until six months ago there was complete lack of coordination between the Treasury and the central bank. He added that this lack of communication has been reduced over the last six months. "The Bank of Israel Law gives it wide powers. The bank could in theory do things that were against the interests of the economy, although that were of benefit to the bank," he said.

The problem is, how to have an independent central bank and to ensure that it does not make moves that negate what the government is trying to achieve, he added.

Moda'i said the bank had hesitated too much in reducing interest rates. "I thought that they should have cut the rates at a greater speed. Their intentions were good, but they did not notice that the high interest rates were of no benefit at all." the minister declared.

Mandelbaum put the blame for the high interest rates on the government. He told the press conference that the government should have cut its budget by an additional $500 million. He stressed that this would have permitted a more relaxed monetary policy and would have reduced the pressure on the business sector.

He added that last year the central bank had made profits totalling NIS 771 million. Of this account, some $422 m. stemmed from holdings in foreign currencies.

Mendelbaum criticized the government for not appointing an advisory board for the bank, as required by the law. He said that this lack had caused great losses to the bank and the economy. He also criticized the fact that the government failed to appoint a deputy gonernor.

'Reduce gov't spending further,' is advice of U.S. professors

By WOLF BLITZER

WASHINGTON. – The two leading State Department consultants on the Israeli economy yesterday urged the national unity coalition to continue to reduce government spending in the weeks and months ahead.

Professors Herbert Stein, of the American Enterprise Institute, and Stanley Fischer, of the Massachusetts Institute of Technology, warned of a return to hyperinflation unless further spending cuts are implemented.

After praising the government's comprehensive economic recovery programme of last year as "a total success," they warned that "serious difficulties remain."

The first, they wrote on the Editorial Page of *The Wall Street Journal*, is that the budget deficit is still too high.

"At 8 per cent of the GNP, it cannot be financed without increasing debt or printing money too rapidly," they said. "Yet the government finds it increasingly difficult to cut spending. Because government revenue in Israel is near 50 per cent of the GNP, the tax burden is too high and taxes should be cut. But without further spending cuts, taxes cannot be cut. Further spending cuts are thus a high priority."

Stein and Fischer, in the jointly bylined article, warned that last year's wage agreement will raise nominal wages at least 17 per cent over the next three months.

"Unless the government finds a way of neutralizing that increase," they said, "the price level will rise as business costs increase. Price controls cannot contain such pressure, and in any event cannot be successfully maintained over the long periods.

"The prospect is that the inflation rate will rise back to the 3-4 per cent a month by the end of April, unless the government finds a way of dealing with the effects of the planned wage increases. There is no way of doing so without further budget deficit reductions. From 3-4 per cent a month inflation, the trip to 10 percent a month is easy, especially for an economy that has been that way before."

Their conclusion: "Budget decisions of the next few weeks will show whether the coalition government can bring itself to the measures now needed to protect the gains achieved by its decisive action of last July."

The recommendations of Stein and Fischer closely resemble those contained in the Agency for International Development's report to Congress on the Israeli Economy earlier this week. Secretary of State George Shultz, who has relied heavily on the opinions of the two professors over the past few years in dealing with the Israeli economy, also urged Israel to cut government spending further during testimony last week before the Senate Budget Committee.

Stein and Fischer, in their article, said that the success of the Israeli programme so far has shown that high levels of U.S. economic aid to a foreign country can have a positive impact. They pointed out that Israel is "the largest recipient of economic aid from the U.S."

"A common view, supported by some experience, is that the availability of foreign aid prevents the recipient country from taking the steps required for its own economic health," they continued. "The story of Israel suggests that there may be exceptions to this dismal lesson."

The $1.5 billion in U.S. emergency economic assistance approved for Israel last year, they said, provided an essential "safety net," which the Israeli government needed in order to have the confidence to approve the tough economic measures.

But there was an even more important factor, they added. "More than anything else, it was the difficulty of borrowing that forced the Israeli government to undertake the stabilization programme."

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	105.52	+1.24%
Non-Bank Index	118.09	+2.67%
Arrangement	99.79	+0.43%
Insurance	126.30	+2.78%
Commerce, Services	114.41	+2.97%
Real Estate	136.87	+2.88%
Industrials	113.20	+2.42%
Textiles	130.90	+1.73%
Metals	112.84	+4.93%
Electronics	96.90	+0.52%
Chemicals	112.49	+2.73%
Industrial invst.	121.35	+1.72%
Investment Cos.	125.72	+3.11%
General Bond Index	97.74	+0.01%
Index-linked Bonds	98.18	+0.04%
Fully-linked	99.41	–0.07%
Partially-linked	97.41	+0.11%
Dollar-linked Bonds	95.72	+0.13%
Short-term 0-2 yrs	97.97	+0.14%
Medium-term 2-5 yrs	97.98	–0.03%
Long-term 5+ yrs	96.47	–0.12%

Turnovers:

Shares – total	NIS	10,492,400
Arrangement	*NIS*	*2,269,200*
Non-bank	NIS	8,223,300
Bonds – total	NIS	4,225,300
Index-linked	NIS	2,302,600
Dollar-linked	NIS	1,922,700
Treasury Bills	NIS	7,785,700

Share Movements:

Advances	280	(250)
of which 5%+	103	(82)
"buyers only"	26	(19)
Declines	25	(29)
of which 5%–	4	(6)
"sellers only"	1	(0)
Unchanged	95	(128)
Trading Halt	44	(37)

Bond Market Trends:

Index-linked	
3% fully-linked	Rises to 1%
4.25% fully-linked	Falls to 2%
80% linked	Stable
90% linked	Stable/rises
Double-linked	*Mixed to 1%*
Dollar-linked	
Admon	Stable
Rimon	Mixed to 1%
Gilbos	Minor moves
For. Curr. denominated Treasury Bills (monthly yield)	Slight falls 1.53% to 1.95%

Arrangement yields:

IDB ord.	13.68%
Union 0.1	13.08%
Discount A	13.81%
Mizrahi r.	13.78%
Hapoalim r.	13.60%
General A	13.73%
Leumi stock	13.36%
Fin. Trade 1	12.27%

SELECTED PRICE QUOTATIONS

Name	Price	Volume '000NIS	% change
Commercial Banks			
(not part of "arrangement")			
Maritime 1	14000	25	+7.7
General non-arr.	880	9008	+10.0
First Int'l	3680	11098	+5.1
FIBI	3350	6824	+4.7
Commercial Banks			
(part of "arrangement")			
IDB r	75830	628	–
Union 0.1	57220	186	+2.0
Discount	96500	135	–
Mizrahi	31130	718	–
Hapoalim r	51810	912	+0.6
General A	*131500*	*5*	–
Leumi 0.1	32980	1572	+0.7
Fin. Trade	44900	5	+1.8
Mortgage Banks			
Leumi Mort. r	4050	681	+2.5
Dev. Mort.	970	2023	+2.1
Mishkan r	1990	354	+3.6
Tefahot r	11660	112	+10.0
Merav r	2124	724	+4.9
Financial Institutions			
Agric C	35000	9	+4.5
Ind. Dev. DD	no trading		
Clal Leasing 0.1	5686	100	+10.0
Insurance			
Ararat 0.1 r	3400	207	+4.8
Hassneh r	2625	3089	–
Phoenix 0.1	1298	334	–
Hamishmar	6000	155	+8.1
Menorah 1	8558	63	+10.0
Sahar r	3120	148	+1.3
Zion Hold. 1	10605	b.o.1	+5.0
Trade & Services			
Meir Ezra	3339	20	–
Supersol 2	4400	1645	+2.1
Delek r	4195	3673	+2.9
Lighterage	7740	63	+8.9
Cold Storage	735	107	–1.3
Dan Hotels	3400	1327	–4.0
Yarden Hotel	2279	292	+8.5
Hilon 1	8791	131	+10.0
Team 1	1780	539	+2.9
Real Estate, Building and Agriculture			
Azorim	3700	2672	+5.7
Elion	1116	1353	–7.5
Africa Isr. 0.1	38800	96	+1.8
Dankner	3400	1051	–
Prop. & Bldg.	2570	1860	+0.8
Bayside 0.1	3825	96	+3.2
ILDC r	*36300*	*159*	–
Rassco r	3303	403	+20.0
Mehadrin	12100	214	–
Hadarim	1165	1829	–
Industrials			
Dubek b	2800	340	+2.0
Pri-Ze 1	3955	1577	–
Sunfrost	4990	48	+0.5
Elite	12290	390	+7.4
Adgar	500	1462	–
Argaman r	6900	226	–
Delta G 1	4220	858	–
Mequette 1	20000	12	–
Eagle 1	11400	197	+4.6
Polgat 0.1	8700	773	+1.4
Schoellerina	13750	360	+0.4
Rogosin	2980	873	+4.2
Urdan 0.1 r	13000	180	+3.8
Is. Can Co. 1	1000	12257	+7.4
Zion Cables	2026	1070	+10.0
Pecker Steel	4510	171	+10.0
Elbit 3 r	398000	23	–
Elron	335500	22	–
Arit	39500	131	+1.2
Clal Electronics	2925	4772	+1.4
Spectronix 1	1749	1218	–
T.A.T. 1	3435	229	–
Ackerstein 1	1301	643	–
Agan 5	16810	191	+5.0
Alliance	999	542	–
Dexter	3100	34	–
Fertilisers	9550	19	–4.5
Haifa Chem.	904	7907	+2.7
Teva r	50650	202	+2.0
Dead Sea r	13856	2742	+2.6
Petrochem.	384	13926	+1.1
Neca Chem.	3360	123	+5.0
Frutarom	7004	s.o.1	–5.0
Hadera Paper	159010	85	+4.6
Central Trade	6520	984	–
Koor p	4900000	1	+2.1
Clal Inds.	1411	18443	+2.9
Investment Companies			
IDB Dev. r	3265	3593	+4.5
Ellern	2240	1406	+2.1
Afik 1	556	3396	+10.1
Gahelet	1276	20	–
Israel Corp. 1	6457	526	–
Wolfson 1 r	63900	0	–0.2
Hapoalim Inv.	*4475*	*766*	*+3.0*
Leumi Invest.	4780	1222	+5.8
Discount Invest.	2205	13589	+3.8
Mizrahi Invest.	8778	b.o.1	+5.0
Clal 10	2517	1243	+2.4
Landeco 0.1	6656	20	+3.8
Pama 0.1	7525	441	+10.3
Oil Exploration			
Paz Oil Expl.	11200	91	+3.2
J.O.E.L.	1247	1315	+1.2

Abbreviations:
s.o. sellers only **b bearer**
b.o. buyers only **r registered**

OFFICIAL DATA: EUROPE, U.S.

Israel Money Markets February 26, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.75% per month
Unlinked Deposit (Annual Rates)

	LAST UPDATED	TAPAS	PAKAM 7-DAY	PAKAM 30-DAY
LEUMI	26.2	8–18%	7–17%	6–18%
HAPOALIM	20.2	8–18%	13–17%	13–17%
DISCOUNT	20.2	10–18%	10–18%	12–19%
MIZRAHI	18.2	12–19%	12–20%	12–18%
FIRST INT'L	20.2	8–18%	8–18%	8–18%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of February 26)

	3–MONTHS	6–MONTHS	12–MONTHS
USD	7.375	7.250	7.375
STG	11.500	11.125	11.000
DMK	3.875	3.875	3.875
SFR	3.375	3.375	3.375
YEN	4.000	4.250	4.250

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

COUNTRY	CURRENCY		CHEQUES AND TRANSACTIONS Purchase	CHEQUES AND TRANSACTIONS Sale	BANKNOTES Purchase	BANKNOTES Sale	BANK OF ISRAEL Representative Rates
U.S.A.	DOLLAR	1	1.4673	1.4857	1.44	1.50	1.4768
GREAT BRITAIN	STERLING	1	2.1687	2.1959	2.12	2.21	2.1881
GERMANY	MARK	1	.6516	.6597	.64	.67	0.6549
FRANCE	FRANC	1	.2116	.2143	.20	.22	0.2130
HOLLAND	GULDEN	1	.5762	.5834	.57	.59	0.5798
SWITZERLAND	FRANC	1	.7738	.7836	.76	.79	0.7779
SWEDEN	KRONA	1	.2034	.2060	.20	.21	0.2048
NORWAY	KRONE	1	.2080	.2106	.20	.21	0.2095
DENMARK	KRONE	1	.1764	.1786	.17	.18	0.1775
FINLAND	MARK	1	.2873	.2909	.28	.29	0.2893
CANADA	DOLLAR	1	1.0511	1.0643	1.03	1.07	1.0578
AUSTRALIA	DOLLAR	1	1.0403	1.0534	.97	1.07	1.0454
SOUTH AFRICA	RAND	1	.7381	.7473	.67	.74	0.7421
BELGIUM	FRANC	10	.3162	.3202	.31	.32	0.3189
AUSTRIA	SCHILLING	10	.9257	.9374	.91	.95	0.9320
ITALY	LIRE	1000	.9562	.9682	.93	.98	0.9623
JAPAN	YEN	100	.8078	.8179	.79	.82	0.8124
JORDAN	DINAR	1	——	——	4.04	4.29	3.9947
EGYPT	POUND	1	——	——	.80	.85	0.8676

SUPPLIED BY BANK LEUMI

European Financial Markets

Precious Metals

GOLD:	LONDON	A.M. FIX	345.10	P.M. FIX	345.75
	PARIS	NOON FIX	349.22	ZURICH P.M.	345.50
SILVER:	LONDON	FIX	599.60		
PLATINUM:	LONDON	P.M.	407.50		
PALLADIUM:	LONDON	P.M.	112.00		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)
Forward Rates

	SPOT	3 MTHS	6 MTHS	12 MTHS
POUND STERLING	1.4820/30	107/104	158/153	270/265
DEUTSCHE MARK	2.2440/50	127/122	190/185	368/358
SWISS FRANC	1.8920/35	125/117	183/175	365/350
DUTCH GULDEN	2.5340/50	81/81	127/122	257/249
FRENCH FRANC	6.9100/30	750/800	1150/1125	1850/1950
JAPANESE YEN	181.60/70	58/56	89/86	183/179
ITALIAN LIRA	1528.00/00	2750/2900	3850/4050	6825/7025
BELGIAN FRANC	45.965/980	14.5/17.5	20/24	30/35
HONGKONG DOLLAR	7.8020/50	255/225	505/465	1050/700
S.AFRICAN RAND	0.5043/53	36/31	48/43	80/70
CANADIAN DOLLAR	1.3915/25	125/132	188/203	270/295
AUSTRALIAN DOLLAR	0.7075/82	122/118	173/168	317/311
SWEDISH KRONA	7.1250/00	635/685	1140/1240	1895/2030
NORWEGIAN KRONE	7.0450/00	870/920	1820/1900	3625/3750
DANISH KRONE	8.3225/75	–25/+75	–10/+150	50/350

Formula for determining forward rates:
high/low (eg. 220/210) — deduct from spot price.
low/high (eg. 210/220) — add to spot price.

ISRAELI STOCKS Traded in New York:

NYSE and ASE

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	–	⅛	–	–	–
Am Isr Pap	9⅝	9¾	10⅛	9⅝	227
Ampal	2⅝	2¼	2⅝	2¼	58
Elscint	3	2⅞	3	2⅞	64
Etz Lavud	12⅜	12¼	12⅜	12¼	21
Laser Inds	12¾	12½	12¾	12½	125

Over the counter

	last	bid	ask		last	bid	ask
Bank Leumi	–	20	22	Interpharm	–	4½	4¾
Elbit	7½	7⅝	7⅞	Optrotech	10	9½	10¼
ECI Tel.	8⅞	8¼	9	Rada	–	10¼	10⅝
Elron	7	7	7⅛	Scitex	8¼	8¼	8¾
Fibronics	14½	14⅝	14¾	Taro-vit	–	3⅛	3½
IDB Bank	–	46	50	Tevapharm	–	3⅝	4
IIS	5⅛	4⅞	5⅛	SPI	–	6¾	7⅛

New York Financial Markets

WALL STREET Closing Prices

Dow Jones Indices

IND	*1,696.90*	*+4.24*
TRANS	781.46	+1.07
UTILS	183.73	–0.92
NYSE COMP	129.07	+0.14
NASDAQ COMP	355.27	+0.39
AMEX INDEX	254.32	+1.90

NYSE Highest Volume

EAST AIR	8¾ +⅝
EAST KODAK	58⅜ +3⅜
U CARB WI	19½ +1
ATT	22¼ unch
OHIO ED	18¾ +⅛
TEXAS UT	34½ –⅛
DUQSNE LT	19 unch
MOTOROLA	43½ +¼
S STEEL	23½ +⅞
TEXACO	30 +½

Statistics

NYSE	VOL. 158,801,030	STOCKS UP 809	DOWN 768
NASDAQ	VOL. 118,887,200	STOCKS UP 984	DOWN 1060

Comment
WALL STREET STOCKS MOVE HIGHER. – The stock market moved higher, but stayed pinned in a tight trading range below the 1700 level of the Dow Industrials, traders said yesterday.
The market has been unable to crack that level with a sustained advance since crossing it briefly at midday Monday.
The Dow Jones Industrial Average was three higher at 1696, after rising to 1703 earlier.
Eastern Airlines led the actives, up ½ at 8⅞.
Union Carbide when issued shares advanced one to 19½.
Eastman Kodak climbed 1⅞ to 56⅞. Traders cited rumours that a bid would be made by GAF, up 2⅛ at 68½.

U.S. Money Rates

Prime 9.50%; Broker 8.75%; NY Euros 3 months. 7 15/16%; Fed Funds last 8 1/16%

New York Foreign Exchange

	DMK	SFR	STG	YEN	CAN
YESTERDAY'S CLOSING	2.2475/85	1.8860/80	1.4850/60	181.15/25	1.3945/50
OPENING	2.2445/55	1.8925/35	1.4845/55	181.55/65	1.3960/65
LATEST	2.2365/75	1.8880/00	1.4810/20	181.70/85	1.3940/45

Comment
DOLLAR STEADY BELOW 2.24 MARKS IN NEW YORK
The Dollar held steady below 2.24 marks in thin trading yesterday. Its tone is weak following Federal Chairman Volcker's comments that he has no substantial differences of opinion with Treasury Chief Baker on the Dollar. With no key U.S. economic indicators due out for several days, the markets focused on expectations of lower U.S. interest rates.

Overseas financial data – from Reuters exclusively to *The Jerusalem Post*.



THE ISRAEL ECONOMIC AND BUSINESS REVIEW 1985

The Israel Economic and Business Review is the most comprehensive source of economic and commercial information and analysis of the Israeli economy available in English.

Edited and published jointly by The Jerusalem Post and The Israel Economist, the book supplies information and in-depth analysis of economic developments and commercial and financial trends of the year.

Introduction by Prof. Zvi Sussman: Special feature essays include analysis of the military-industrial complex, the economy of the West Bank and Gaza and labor trends.

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Challenge to Mubarak

EGYPT IS NOT the Philippines, and Hosni Mubarak is not Ferdinand Marcos. A wobbly regime striving uncertainly to democratize itself – and finding it supremely hard to meet the challenges of progress and peace – leaves much to be desired. But it need not be compared with a system of organized state larceny resting on a machinery of oppression or – in the last resort – on ballot stealing.

Yet the curfew clamped down on Cairo and its suburbs yesterday afternoon in the wake of bloody riots started by Egypt's supposed guardians of the public order, the security police, is itself a grim warning to Mr. Mubarak. The message to the Egyptian president is that unless he takes forceful measures, not only to suppress the current disturbances with his loyal army, but also to lift his country from the morass of backwardness in which it is stuck, his days may indeed be numbered.

The rebellious mood of the security police must reflect a widespread national sentiment, and their immediate complaint – the addition of an extra year to their three-year term of service – was plainly but the straw that broke the camel's back.

To be sure, Mr. Mubarak's troubles are not all of his own making, and many predate his assumption of office some four years ago. With a galloping and seemingly uncheckable birthrate, desperately poor and mostly illiterate Egypt can barely make ends meet. The great hope of economic development sparked by the construction of the Aswan Dam with Soviet aid under Gamal Abdel Nasser has now faded, and the promise of the liberal economic policy of *infitah* inaugurated by Anwar Sadat and buttressed by pledges of U.S. assistance has not been fulfilled.

Most recently, the precipitous drop in oil prices has drastically reduced the amount of money that used to be regularly transmitted home by millions of educated Egyptians employed in essential services in the oil-rich Arab countries.

A stagnant economy has kept social cleavages in Egypt as wide as they ever were. Radical demagogues from both the extreme left and militant Islam have cleverly exploited class animosities – as well as deep seated hostility towards foreigners – in portraying Mr. Mubarak as a man less keen on feeding the masses and restoring Egypt to its traditional position of leadership in the Arab world, than on kowtowing to the rich, the imperialists and the Israelis.

The president has worked hard to pacify the opposition by expanding democratic rights and relaxing restrictions on the press. But this has only emboldened his political foes, most of whom treasure democratic rights only as a means of securing their totalitarian goals, whether secular or religious. He has also tried to blunt criticism of his adherence to the peace treaty with Israel by keeping his distance from this country, by supporting the PLO's exclusive claim to represent the Palestinians, and by making any measure of normalization contingent on arbitration for Taba.

But he has still not mollified his critics, as shown in the demonstrations that followed the self-hanging of Suleiman Khater, the Ras Burka murderer.

A major source of the weakness of Mr. Mubarak's regime, however, is Mr. Mubarak himself – more of a smooth bureaucrat than a popular leader, and arguably not the ideal head of state for a land inured to the charismatic Nasser, and even Sadat after the October War. Sadat was able to crack down hard on rioters protesting rises in food prices, without endangering himself. Mr. Mubarak may not have as easy a time curbing the spread of popular disaffection.

Plainly, it would be in Israel's interest that Mr. Mubarak, for all his faults, remain Egypt's president, if only because any conceivable successor at this time is likely to be far worse, in Israeli terms. This does not, of course, mean renunciation of Israeli rights under the treaty, but it does require an easing of pressure for their immediate effective realization.

The least Israel's present government could do to help Mr. Mubarak is to make it absolutely clear that it will not follow in the footsteps of previous administrations, which did their damnedest to disarm the forces of peace in Egypt by using the peace treaty as a shield for aggressive policies in the east and in the north.

Oh! Calcutta!

"FAINT LIGHT on stage littered with miscellaneous rubbish, including naked people. Hold about five seconds."

Thus the great Samuel Beckett, introducing his brief prologue to *Oh! Calcutta!* at the behest of Kenneth Tynan, who "devised" that "entertainment with music." The Beckett name is guaranteed to impart an aura of literary respectability to anything he writes, but Tynan made no literary claims on behalf of his commercial product. It has simply occurred to him, he related, "that there was no place for a civilized man to take a civilized woman to spend an evening of civilized erotic stimulation."

Until the arrival of *Oh! Calcutta!* – which he saw as occupying middle ground between Minsky's burlesque and an expensive night club.

Taking off from Beckett, the show goes on for another two hours or so, sporting more miscellaneous rubbish authored by some talented writers, including actual live naked people along with some half-dressed and even fully-dressed ones, intermittently cracking more-or-less dirty and not necessarily funny jokes.

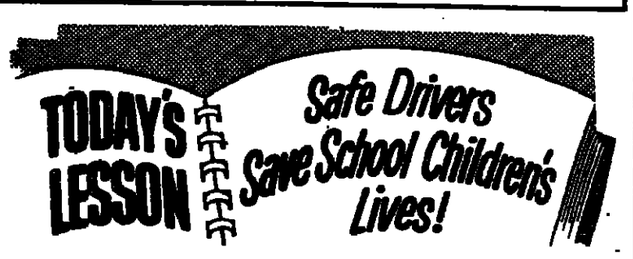
All this was considered dreadfully risqué and rather titillating 16 years ago, when the show was first done on Off Broadway, but it is hardly that any longer.

So what if it isn't? Nothing, really, except that the show's American producer, Norman Kean, having discovered that Israelis, evidently alone among the civilized peoples of the world, have so far been spared the "civilized erotic stimulation" aroused by *Oh! Calcutta!*, is determined to make it a test-case of literary freedom here. Even in the face of murmurings by the Film and Stage Censorship Board that it is, well, rather smutty.

That is plainly so: but that was Tynan's whole intention. To cut *Oh! Calcutta!* or to cover even some of its nakedness, as Mr. Kean is reported ready to do in order to save it, would be to ruin its immaculate vulgarity.

Why the board, that stodgy and useless guardian of our morals, should recoil with horror at the sight of nudity, even after allowing it in, say, *The Sufferings of Job*, is a mystery. But it is no less a mystery why American writers of Arthur Miller's stature should rush – in cables to the board – to the defence of *Oh! Calcutta!* of all things.

What next great cause of literary freedom, one wonders: *Deep Throat*?



The territories: an economic question

SUSAN HATTIS ROLEF

WHEN the issue of economic development in the West Bank and Gaza Strip comes up, those who wish to see these territories annexed to Israel invariably think of Jewish development with the Arabs at best providing manual labour and services. For those who would like to see an exodus of Arabs, preventing economic development and opportunities seems to be a means to induce it. And then, there are those who argue that Israel, as the *de facto* ruler, has a duty at least to allow economic development so the local inhabitants can maintain an honourable existence; humanitarian considerations take precedence, irrespective of what permanent settlement one has in mind.

The Arabs from the territories have assumed a role in Israeli society; "hewers of wood and drawers of water." In a lecture he delivered on June 3, 1973 at the Van Leer Institute the late Yigal Allon had the following to say on this subject:

"The growing dependence of the Israeli economy on (the Arab) labour force is likely to lead to a slowing down in the introduction of more advanced technology into Israeli industry... and cause undesirable social, human and moral distortions within the Israeli society.

"I believe that the problem is no longer the prevention of the increase in the number of these workers employed in Israel, but one of how to diminish these figures gradually. This should not be done, of course, by creating an unemployment problem in the territories but through the creation of new jobs. We must seriously and urgently concentrate our efforts on the encouragement of investment in various sectors of the West Bank and Gaza economies in general and in labour intensive industry in particular."

THE OFFICIAL Israeli attitude since 1967 can best be described as ambivalent, with a clear inclination towards conservatism. While it would be inaccurate to say that no economic development has been allowed to take place in the last 19 years (especially in agriculture), one cannot speak of economic planning based on a coherent concept, and there has certainly been little industrial development. Arab entrepreneurs say they have been put through the mill in trying to establish even small-scale industries. They feel caught in a no-win situation.

In a recently published study on U.S. aid to the West Bank and Gaza Dr. Yehuda Laufer offers several explanations for Israeli policy, which until recently has been based on the premise that only Israel should decide on questions of economic development in the territories, which has meant in effect an Israeli veto on most development projects presented for its approval, and no Israeli initiatives in this sphere.

On the security plane there is the possibility of economic projects serving those seeking to undermine Israel's security.

On the political plane there is fear of the development of economically based anti-Israeli power centres (an attempt to establish an economically based pro-Israel power centre in the form of the village leagues failed.)

On the economic plane Laufer argues that one criterion for decision-making has been "compatibility with the notion of the territories and Israel as a single economic unit. Thus, project proposals have sometimes apparently been turned down... because they could not compete with more efficient Israeli production; or because they were potentially competitive with Israeli production. In both instances, it was thought, the proposals violated the notion of a single economic unit."

WHILE this explanation for why Israeli bureaucrats in the West Bank and Gaza have sought to preserve the *status quo* seems perfectly plausible, I have heard only demonic theories to explain why Israel, while allowing only a trickle of American development aid into the territories from 1975-84 (an annual average of about $10 million) according to Prof. Menachem Milson hundreds of millions of dollars of PLO money were allowed to flow into the West Bank and Gaza, especially after 1978, helping the various components of the PLO to strengthen their hold in the territories.

Though little economic development resulted from this flow of funds, it was a contributing factor to the atmosphere of prosperity, which prevailed in the territories for years. Was this the result of policy or of non-policy? I suspect the latter.

On the eve of the elections to the 11th Knesset, one of the political groupings in the Labour Party known to be close to Shimon Peres prepared a paper on the occupied territories, which proposed that an Alignment-led government should enable the Arab community to intensify economic activity, including development of local banks and investment of external capital in industry and infrastructure.

This proposal was based on the belief that "the economic and social situation in the territories has seriously deteriorated since 1981. Thus, a substantial danger for radicalization has been created, not only on nationalist grounds, but also on socio-economic grounds. The substantial diminution of economic activity in the territories and the decline in capital imports also harmed the Israeli economy, despite the capital available from Western and Arab sources for investment in the occupied territories."

Why this approach had no chance of being adopted and implemented is not difficult to explain. The Alignment has been forced to share power with the Likud. It certainly does not accept Labour's premises. The Likud has no clear policy regarding the territories beyond favouring maximal Jewish settlement and objecting to their being given up.

Secondly, policy in the territories is in the domain of the Ministry of Defence, and though Minister of Defence Yitzhak Rabin is a Labour man, his policy vis-à-vis the territories seems to focus almost exclusively on security.

THERE ARE those who doubt that Rabin really supports the notion of territorial compromise. He was certainly no great enthusiast of the Allon Plan, and today is outspoken in his objection to both the autonomy and extending self-administration to the local population in the territories.

None of his people were involved in the drafting of the paper mentioned above. Nevertheless, the official policy of the military administration in the West Bank and Gaza Strip today is to allow economic development projects initiated locally or abroad "on condition that the interests of the State of Israel are preserved." This is a step forward from the approach maintaining that economic development in the territories should only take place if it serves Israeli interests.

The change in attitude has manifested itself in efforts to establish a local bank (the initial initiative was undermined by Jordan); a much more liberal policy regarding the inflow of money – both private and public – into the territories; a less obstructive policy *vis-à-vis* private and public international aid organizations; facilitation of agricultural exports from the territories; development of the telecommunications network, etc.

While officially the policy is not to obstruct the establishment of enterprises in the territories, so far little has actually been done. It is doubtful whether any further change will take place during the tenure of the present government.

It would certainly be too much to expect the present government to take any major decision (for better or for worse) regarding the economic development of the West Bank and Gaza when it seems to have difficulties taking decisions regarding growth in the Israeli economy. However, at least the Labour Party, which is committed to certain ideals regarding Israeli society, certain security doctrines and to the idea of territorial compromise, in return for peace, should put its collective mind to work not only on the question of how to block Jewish development in territories that might be given up some day, but also on the question of how to encourage Arab development, which will help stop the *de facto* annexation while encouraging Jewish-Arab cooperation and goodwill.

Perhaps in the next government Labour will be in a position to implement an active, positive policy. It should have such a policy, just in case.

Dr. Rolef is a free-lance writer and lecturer.

Licensing corruption

D'VORA BEN SHAUL

ACCORDING TO an old Yiddish folk saying, it isn't the mouse that is responsible for the depredations in the pantry, it's the mouse hole! At first glance, this may seem strange but it is simply a way of asserting that mice are everywhere and that unless you plug up their access hole, they will surely come in, for that is their nature.

Recently we have seen a prime example of this proverb in action in the police investigations into cases of suspected bribery, forgery and other examples of malfeasance of office in the licensing bureau of the Transportation Ministry.

Human nature is as it is and there are always those who will exploit any situation for their personal benefit. But the question is: why is the system tailored to allow, I might even say invite, this exploitation?

Whenever a highly desired commodity can only be obtained after surmounting an obstacle course of bureaucratic procedures and is costly, both in terms of time and money, it provides an open invitation for those who have the power to profit from helping people acquire that commodity. This is exactly what has happened at the Transportation Ministry and to understand this, one needs to look at the history of this ministry.

Israel's founding fathers approved neither of private vehicles nor of private drivers, for private cars violated the very principles of the socialism they espoused. From the beginning it was felt that if someone wanted to own a vehicle or hold a driver's licence, then he or she should pay dearly for the privilege. This attitude was not only manifest in the myriad rules and regulations that immediately came into being regarding vehicles but in the rules around the subject of acquiring a driver's licence. The same attitude was also responsible to a great extent for the loss of many lives in accidents due to sub-standard roads which were not improved because, even as late as the 70s, there were ministers who held that what we needed was not better roads but fewer private cars.

BECAUSE of these seemingly endless rules and regulations, a complete infrastructure, bureaucratic and self-serving, grew up in Israel. In the name of safety (although it is doubtful that most of the bureaucratic restrictions had anything to do with safety), would-be drivers found that they had to pay hundreds of dollars for compulsory driving lessons and spend a great deal of time in the maws of the licensing machine.

In most western countries a person may learn to drive in the family car with a licensed driver in the seat beside the learner. But in Israel, this was not good enough and a new class of bureaucrats – the licensed driving instructor – arose. Pupils, however, were not allowed to take the drivers' exam whenever they were ready. Rather, a minimum number of lessons was required, whether the pupil needed them or not. This, of course, opened the way for instructors to offer to certify lessons that had not been given in exchange for a part of the price of real lessons.

Now with all this instruction and all these so-called safety requirements in force, one would suppose that the Israeli driver would be better than his or her American or English counterpart. But the facts are otherwise. The Israeli driver has not profited from all this. Rather, the beneficiaries have been the redundant clerks in the ministry and the many driving instructors.

It is strange that while a simple system for driver instruction and licensing seems to be adequate in most of the world, Israel needs a bureaucratic infrastructure that makes getting a drivers' licence a major and expensive undertaking.

There is no evidence whatsoever that the simple instruction systems used elsewhere are inferior to the Israeli one. In fact, the "home instructed" driver gets a lot more practice behind the wheel in the year before a licence is issued than does the Israeli pupil whose driving time is accompanied by the mental sound of shekels dropping into an imaginary meter.

We should not be surprised that once again the mouse has raided the pantry. What we should be asking is why so much ministerial activity seems to be devoted to the creation of mouse holes.

The writer is a member of The Jerusalem Post *editorial staff.*

READERS' LETTERS

RED CROSS DOUBLE STANDARD

To the Editor of The Jerusalem Post

Sir, – In his article of February 6, entitled "Red Cross official criticizes expulsion of Palestinians," Joshua Brilliant reported from Tel Aviv: "A senior member of the International Red Cross delegation in Israel sharply criticized the government yesterday for deporting West Bank and Gaza Strip residents. Jean Jacques Fresard, deputy head of the delegation, spoke to *The Jerusalem Post* several hours after three more Arabs were ordered across the border to Jordan. He called such actions "completely illegal..."

I should like to point out:

1. The deportations were "completely legal," as based on the valid Emergency Regulations of 1945. On the basis of those Emergency Regulations, the British deported many Jewish members of the Irgun, Lehi and others to Kenya and Eritrea into camps, where they were incarcerated, some of them for years. Where was the voice of the International Red Cross then?

2. Israel's incorruptible High Court of Justice has approved the legal validity of those regulations. Mr. Fresard's press declaration is insulting to Israel's High Court.

3. The International Committee of the Red Cross consists exclusively of Swiss citizens. With his declarations, which are legally untenable, Mr. Fresard permits himself an unheard-of presumption, slandering our state's democratic system of justice. Mr. Fresard should keep in mind that he is representing the International Committee of the Red Cross, which insultingly discriminates, until this very day, against the Jewish State, by recognizing the Red Crescent of the Arabs, the Red Lion of Iran, but refusing to recognize the Red Magen David of Israel. Is this his organization's humanitarian behaviour, or in accordance with Swiss "neutrality"?

4. The International Red Cross knows exactly that perhaps thousands of Jews, who fled from Germany's genocidal persecution, were deported from Switzerland to certain death. Those Jews were not persons endangering the state (as are today's Arab PLO leaders who, if circumstances were the other way round, would be sentenced to death in every other state in the Near East). Those deported Jews were innocent civilians, condemned to death because of their being Jewish, who fled for their lives and who were nevertheless deported from Switzerland. Where was the voice of the International Red Cross then?

5. During the Holocaust and until a short time before the end of the war, when everybody knew that Germany would lose the war, the International Committee of the Red Cross rejected all Jewish entreaties to intervene in Germany against the murder in the death camps, against the gas chambers and other measures exceeding the blackest Middle Ages. It even refused requests that it visit those camps. The explanation was that this might have put the International Committee of the Red Cross into disfavour with the Germans, and they pretended that it could lead to a situation where it could not continue its regular duties. Nevertheless, Mr. Fresard now cites Article 49 of the Fourth Geneva Convention, entitled "The Protection of Civilian Persons in Time of War." Where was his organization when the entire Jewish people perished in all of Germany's occupied Europe? Even its voice was non-existent in Jewry's case, although its founder, Henri Dunant, was a supporter and friend of Herzl's Zionism.

6. In view of the above, it is indeed impertinent even to compare indirectly Israel's security policy of a few individual deportations of dangerous enemies of the state and of terrorist leaders, with "the German deportations during World War II," and to call Israel's measures "completely prohibited." Such words by the representative of the International Committee of the Red Cross in connection with Israel are hypocritical.

REUBEN HECHT

Haifa.

THE JERUSALEM THEATRE

To the Editor of The Jerusalem Post

Sir, – The festive programme for the opening of the Crown complex at the Jerusalem Theatre stated that the public was invited to the dress rehearsal of the Jerusalem Symphony Orchestra on February 10 at 10 a.m. A most generous gesture indeed, but it was too good to be true. Most of the early arrivals were senior citizens who came from all parts of the city, only to be told that the rehearsal had been cancelled. There are no words to describe our disappointment.

This unsuccessful outing was a renewed reminder of the lack of public transport to the theatre. Not all residents have cars and there is only one bus line, No. 15, which passes close to the theatre. Additional bus lines and maybe a taxi stand would ensure that all the people of Jerusalem would be able to enjoy the cultural events at the new complex.

Jerusalem. *SARA GEWOLB*

SUPERFLUOUS GESTURES

To the Editor of The Jerusalem Post

Sir, – At the moment, as at previous junctures, while the right exuberates in finding the prospects of opening a dialogue with Jordan deadlocked, the sniping from the left is aimed at reviving a dead horse titled "Let us moderate our position on the PLO." A new addition of this exercise in futility was recently offered by Benny Morris ("Premature Burial" – February 18).

The article purported to survey and to analyze the recent discussions conducted by the Jordanians and the PLO leading to the open break between King Hussein and Arafat. It underscored the issues dividing the Jordanians and the PLO. But with patience apparently exhausted in the exercise, the writer – inspired as he probably is by similar expressions of self-delusion by some politicians – ends his analysis by urging Israel to "offer anything of its own," or, in a further clarification of his design, by calling upon Prime Minister Peres to offer "concrete concessions to the Palestinians." And if that advice is not sufficiently clear, Morris suggests that Labour "at last moderate its position on the PLO."

King Hussein is not known to have adopted the Labour Party's plank in his dealings with the PLO. Yet, he has totally failed to nudge the PLO leadership from its adamant and rejectionist posture. Does anyone delude himself that where Hussein failed, the Labour Party would be victorious? Unless the phrase "moderating" our position is really a euphemism implying the acceptance of "self-determination," which in turn means acceding to the proposition of an independent PLO state on the West Bank. Once Israel grants that concession to the PLO, it obviously kicks Jordan out and the only negotiations to be anticipated would be on whether the borders of the PLO state would adhere to the 1967 lines, as advocated by the Soviet Union, or whether they should conform to the 1947 lines, as tactically pushed by the "moderates" of the PLO.

This call for concessions to the PLO is obviously suicidal as far as the United States is concerned. Once Israel releases the U.S. from its commitment not to have any dealings with the PLO unless the PLO accept Resolutions 242 and 338, desists from acts of terror, etc., who is going to back it up in resisting deadly demands for concessions that neither Mr. Morris, nor his sympathizers could ever accept? If, God forbid, we were to follow the advice of "moderating" our attitude to the PLO, we will not only signal to the Americans and to some of the eager Europeans to jump on the PLO bandwagon, but we will be offering to the right large sectors of the electorate, which it would not otherwise have been able to attract.

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